INTRODUCTION

The City of Cape Town has prepared an Operating License Plan (OLP) as a part of the Comprehensive Integrated Transport Plan (CITP) 2018-2023 in terms of the requirements of the Minimum Requirements for the Preparation of Integrated Transport Plans, Government Gazette No. 40174 of 29 July 2016. The OLP provides clear guidance as to which operating license applications should be recommended or rejected by the City as a Planning Authority. The recommendations are binding to the National Public Transport Regulator (NPTR) and Regulating Entities (RE).

In terms of section 55 of the National Land Transport Act (NLTA) (Act 5 of 2009), all the regulating entities are required to refer any applications for operating licenses to the applicable planning authority within whose area the services being applied for will operate. In this regard the Operating Licensing Plan (OLP) is a document that guides the issuing or granting of operating licenses by regulating entities and the National Public Transport Regulator (NPTR) for the supply of road based public transport services.

The Minimum Requirements for the Preparation of Integrated Transport Plans, Government Gazette No. 40174 of 29 July 2016 requires that the Operating Licensing Plan (OLP) be part of the Public Transport Plan (PTP) of the Comprehensive Integrated Transport Plan (CITP).

In this regard the purpose of the OLP is to provide clear guidance for the planning authority as to which operating license applications and public transport transactions should be recommended or rejected by it. The OLP guides with implementable and evidence-based planning proposals for issuing of operating licenses to transport service providers.

The OLP is supplemented by an Operating Licenses Administration System (OLAS). At this stage the Provincial Regulatory Entity is responsible for the OLAS. It is required that OLAS be made available to the planning authorities so that they can access information to make an informed decision relating to operating license applications.

Section 1 of this plan describes Operating Licenses (OL) as required by section 50 of the NLTA (Act 5 of 2009) and the types of applications requiring OLs whether a new application, amendments, cancellation or transfer. These transactions apply to Contracted and Non-Contracted Services and involve optimizing the issuing of Operating Licenses on individual routes and groups of routes.

Section 2 describes the role of Public Transport Facilities in the issuing of operating licenses which bears on the availability of space for legal operators to load and offload passengers. The City issues a proof of rank space availability which informs the support or rejection of applications for operating licenses. Interchange points caters for both scheduled and unscheduled services where passengers must also interchange safely and relatively easily between various modes.

Section 3 guides the principles applicable for the support of OLs for non-regular modes of road based public transport. These modes include metered taxis, pedicabs, long distance public transport and Tuk-tuks.

Section 4 gives an outline of the conditions pertaining to operating licenses and includes, route descriptions, duration, etc. The approach and conditions will take into account the under-supply and over-supply of services on routes, proposed plans to reduce oversupply and the relationship of public transport facilities.

Section 5 highlights the function of OLAS which is to maintain an active record of all operating licensing data, related records of decisions and all public transport route information. At this stage, the provincial RE is responsible for the OLAS.

Section 6 of the OLP describes Law Enforcement Strategies, institutional arrangements and interrelationship with traffic law enforcement and the setting of targets and measuring performance.

Chapter 7 concludes the OLP as the City of Cape Town guideline document to comment on OL license applications in order to direct the National Public Transport Regulator (NPTR) and the relevant Regulating Entities in the award of operating licenses. With OLAS as the evidence base informing all decisions for all the relevant OL transactions, the maintenance of the operating licensing system is administered through the City’s law enforcement strategies.

As the OLP forms part of the Public Transport Plan and the Comprehensive Integrated Transport Plan 2013-2023. On approval of the CITP and in terms of Section 36 (6) of the NLTA, the planning authority will make its integrated transport plan available to the National Public Transport Regulator and the Provincial Regulatory Entity and make recommendations to them relevant to applications for new operating licenses, in the prescribed manner.

APPLICATIONS

4.1 Conditions for Non-Contracted Services
4.2 Charter Services
4.3 Scholar Transport
4.4 Staff Services
4.5 Long Distance Public Transport Services
4.6 Metered Taxis
4.7 Tourist Services
4.8 Special Events and Major Special Events
4.9 Courtesy Services
4.10 Tuk-tuks
4.11 Exemptions

5. Operating licenses administration system

6. Enforcement strategies

7. Conclusion

8. APPENDIX 1 - Abbreviations and Acronyms
9. APPENDIX 2 - list of references
1. Operating Licenses

An operating license is defined as a license required in terms of section 50 of the NLTA (Act 5 of 2009), granted and issued in accordance with such act.

Types of applications requiring an OL include:
- New applications;
- Amendments;
- Cancellation and
- Transfers.

The OLP guides the awarding of operating licenses for Contracted and Non-Contracted Services, namely:
- Non-Contracted Services;
  - Learner Services;
  - Staff Services;
  - Long Distance Services;
  - Metered Taxis;
  - Charter Services;
  - Tourist Services.
- Contracted Services;
  - Special Events and Major Special Events and
  - Tuk-tuks.

1.1 Granting of Operating Licenses

In terms of the requirements of the NLTA, Act number 5 of 2009, under section 55, the City as the Planning Authority must be notified by the relevant PRE and the NPTR in order to submit comment on the granting, renewal, amendment or transfer of operating licenses affecting its area of jurisdiction.

The City considers, the support and the refusal to the support of operating license applications, in line with its approved Comprehensive Integrated Transport Plan (CITP). As an outcome, Regulating Entities are bound to comply with the City’s refusal of an application in their dispensing of operating licenses. This approach applies to both Contracted and Non-Contracted Services applications. The granting of operating licenses in the main, directly impacts public transport routes and groups or networks of routes.

The conditions for the evaluation of operating licenses are expounded upon in detail in section 4.

1.2 Under Supply of Operating Licenses

With respect to undersupply, the City responds by supporting the supply of more Operation Licenses where evidence through surveys and data collection on the transport network indicates a positive trend favouring public transport usage.

1.3 Over Supply of Operating Licenses

With respect oversupply of operating licenses, a key principle in guiding the supply is that, the City does not support applications for operating licenses which will result in the overtrading of routes. In some cases, the oversupply has been exacerbated by dormant Licenses which included the conversion of radius to route permits and the current use of charter services operating licenses for minibus taxi services.

1.4 Issuing Operating Licenses on Groups/Network of Routes

The following conditions are applicable when issuing OL’s on Groups/Networks of Routes:
- Operators having to rotate between routes, to enhance equity;
- Flexibility in case of vehicle breakdowns to augment customers’ services;
- Setting out the maximum vehicle requirements with respect to each route group;
- Constructive engagement with the relevant stakeholders to achieve agreement;
- Continuous rotational operation for 180 days on all routes that form part of the network;
- Vehicle tracking to ensure that all authorities on OLs are operated on by operators with authority to do so. Authorities not operated will be removed from the OLs; and
- Renewal would also be dependent on the demand for such a service.

2. Access to Public Transport Facilities

The role of Public Transport (PT) facilities in the issuing of operating licenses bears on the availability of space for legal operators to load and offload passengers. In turn the number of OL’s issued informed by the present and future design and upgrading of facilities based on future potential demand. One of the key conditions for the support and rejection of applications for operating licenses is the availability of current operating space at interchanges for the purpose of setting down and loading passengers.

The City issues a proof of rank space availability which informs the support or rejection of applications for operating licenses. Interchange points caters for both scheduled and unscheduled services where passengers must also interchange safely and relatively easily between various modes.

The City has 213 PT facilities from which services are provided. In many locations, facilities for one mode are located adjacent to facilities for another mode. This allows passengers to interchange relatively easily between modes. Facilities that are being implemented for IRT consist of depots, route stations, termini and a control centers.

There are 13 facilities from which long distance road based services operate. Joe Gqabi terminus in Philippi is regarded as one of the main long distance facilities and serves multiple arrivals and departures during peak periods.

Metered taxi ranks are provided in Cape Town by the City, other governmental institutions and private organizations. These ranks are located in areas that are mainly frequented by tourists.

The capacity of the routes, as determined in the Transport Register will also be taken into account, when considering OL applications.
2.1 The Issuing of Proof of Rank Letters by the City of Cape Town

The issuing of rank tokens and rank letters on City owned facilities are regulated by the Traffic By-Law (2011). Sections 3 -11 of the By-law deal extensively with matters relating to the issuance of the rank tokens.

Letters are required by the RE after an application has been granted and failure by the applicant to submit this document leads to the lapsing of the approval. An applicant cannot uplift his/her operating license unless they obtain a proof of rank letter from the City. The operator is normally given 60 days to submit this document, although they can apply for an extension of the period.

This is, however, subject to Section 57 (1) of the NLTA which stipulates the following:

“Where any application is made to the NPTR or PRE for the granting, renewal, amendment or transfer of an operating license in respect of a non-contracted service other than a tourist transport service, the may grant or refuse the application after having considered,” and in the case of proof of rank letters;

(a) The availability of ranks or terminals or other facilities, based on the recommendations of the relevant planning authority or other information at its disposal and

(b) Whether the vehicle or type of vehicle by means of which the service is to be operated, is suitable for that purpose.

3. Operating Licenses for Non-regular modes of transport

This section guides the principles applicable for the support of OLs for non-regular modes of road based public transport. These modes include metered taxis, pedicabs, long distance public transport and Tuk-tuks.

3.1 Metered Taxi

Based on the TCT: Metered Taxi Strategy of July 2014, metered taxi OLs are divided into three categories, namely: e-hailing, Base- and Rank operated licenses. Current metered taxi OLs amount to 525. In addition, the City has availed 1035 OL opportunities for e-hailing purposes. It is anticipated that the metered taxi fleet will grow to over 1500.

Specific guidelines for recommendations pertaining to metered taxi OLs are as follows:

• The City no longer supports rank-based Metered taxi operating licenses due to the key relevant Metered taxi ranks all currently deemed overtraded.

• Metered taxi operating licenses specify either a single radius of operation or an inner (pick-up) or an outer (service) radius of varying distances, normally 15km and 35km radius, respectively; and

• Operators will only be granted an authority to operate from a private land such as, when an agreement is in place between the operator and the land owner in support of such services.

3.2 Pedi Cabs

Pedicabs are regarded as a non-motorised cycle mode of transport, however battery assisted. This mode would require OLs to operate public transport services.

To date no operating licenses for Pedicab public transport purposes have been supported by the City. Although regular requests are received, the Pedicab mode is not clearly defined by legislation as yet, and, therefore, cannot be viewed in line with normal public transport vehicles.

3.3 Long Distance Public Transport

This road based service is currently mainly provided by Bus, Midi-bus and Minibus modes. The cumulative operating licenses for these three modes amount to 3715 OL’s. LDPT operating licenses are also issued as Charter Services licenses. According to the LTPS-TRS 2017 the total Charter Services licenses amounts to 5149 in the City of Cape Town. Other modes performing Charter Services with a LDPT service option include motor cars (i.e. <9 seaters including the driver) with 817 OL’s and sedans (i.e. <5 seaters including the driver) with 617 OL’S.

Specific guidelines for recommendations pertaining to long distance public transport service OLs are as follows:

• That dedicated long distance services must take place from a business address and subject to a business plan substantiating the demand for such a service where the land use can accommodate such an activity;

• In addition to the transport operation conditions allowed by an OL, the appropriate passenger facilities and considerations must be established whether in transit or, at pick-up / drop-off facilities and waiting areas; and

• Supporting the appropriate licensing mechanism to avoid overtrading of other routes given that long distance services peaks and slump periods.

3.4 Tuk-tuks

Section 1 of NLTA of 2009 defines a Tuk-tuk as, "a three-wheeled motor vehicle designed or modified solely or principally for conveying not more than three seated persons, including the driver."

The City is currently in process of exploring the possibility of Tuk-tuk services in the following proposed areas:

• CBD as long as no conflict with sedan taxis,

• Fresnaye/Bantry Bay

• Sea Point

• Green Point

• Bo Kaap/De Waterkant/Waterfront*

• Tamboerskloof

• Walmer Estate/University Estate/Zonnebloem/District Six

• Kalk Bay/St James/Fishhoek

• Simon’s Town

• Durbanville

*Note: Not currently considered for pedestrian areas
Specific guidelines for recommendations pertaining to Tuk-tuks:

- Tuk-tuks to operate as a short distance mode;
- The service will be limited to one area or neighbourhood only, with a dedicated route description, not longer than 3 km and must be incorporated into the Integrated Public Transport Network (IPTN);
- Maximum speed of 30km/hour;
- Children under the age of 13 years, must be accompanied by an adult when travelling on a Tuk-tuk;
- No Tuk-tuk Operating License can be converted to another mode of transport, if the business case does not prove viable;
- Vehicles will be subject to regular inspection;
- A maximum of three persons (including the Driver) to be conveyed at any one time;
- Tuk-tuks may use normal road facilities for parking, safe stopping/loading areas in terms of the Road Traffic Act;
- The license shall be immediately withdrawn, in the following cases;
- Overloading;
- Operations on illegal routes,
  - Vehicle standards not adhered too and
  - When the service is not in operation for a six (6) month or 180-day period.

4. Conditions for Evaluation of Operating License Applications

This section gives an outline the conditions for the evaluation and assessment of operating licenses applications and includes, route descriptions, duration, etc. This takes into account the under-supply and over-supply of services on routes, proposed plans to reduce oversupply and the relationship of public transport facilities.

The conditions consist of general conditions applicable to all transactions as well as conditions specific to public modes of transport and the affected applicants. These modes include, Minibus Taxis-, Private Bus-, Learner-, Staff-, Long Distance Public Transport, Metered Taxis-, Charter-, Tourist-, Special Events and Major Special Events-, Courtesy- and Tuk-tuk Services.

A key principle guiding the granting of transport operating licenses to service providers by Regulating Entities is not to grant operating licenses when the City does not support an application. This is based on Sections 55 (transport plans), 56 (contracted services) and 57 (non-contracted service) of the NLTA (Act 5 of 2009).

4.1 Conditions for Non-Contracted Services

To grant, renew, amend, or transfer of an operating license for a non-contracted service following conditions apply:

- The service must be encapsulated in the City’s CITP. (NLTA Section 57 (1) (a));
- The vehicle to provide the service must be suitable for that purpose (NLTA Section 57 (1) (b));
- Official facilities, terminals, ranks or interchanges for boarding or alighting, and for holding or parking vehicles engaged in the operation of that service must be available (NLTA Section 57 (1) (c));
- Compliance with the City’s by-laws and any regulations, prohibitions, limitations or restrictions (NLTA Section 57 (1) (d));
- That the applicant has no previous convictions of any offences as prescribed in the NLTA Section 57 (1) (e); the NLTR’s Regulation (18) as well as the Western Cape Regulations on Operating Licenses, 2002;
- The City considers that the applicant has the ability to operate the service in a manner satisfactory to the public (NLTA Section 57 (1) (f));
- In terms of Section 55 (1) of the NLTA, the Planning Authority directs the RE with respect the issuing of OL’s and that the RE may not grant an OL that is in contrary to the CITP;
- The transfer of any OL will only be supported by the City if converted to a definite OL (Section 58 (2));
- Operating licenses will not be allowed to be ceded, alienated or hired out (Section 77 of the NLTA);
- Proof of operation must be confirmed with a 180 letter unless safe-keeping provisions are arranged;
- Transfers must be supported by an affected association;
- Detailed route descriptions must be submitted;
- With transfers in the case of death the Master of High Court must confirm the distribution of assets.
- Renewals will be considered in terms of Regulation 25 of the NLTR;
- Conversions will be considered in terms of Regulation 14 of the NLTR;
- Amendments consisting of replacement of vehicle and application for additional authority will be considered in terms of Section 64 and 77 of the NLTA;
- With respect to routes, should inter-association agreements on the same routes be breached, then authorities will summarily be cancelled in terms of Section 79 of the NLTA;
- Applications on routes that will lead to destructive competition will be rejected;
- The applications for all new operating licenses are subject to Section 54 of the NLTA;
- The OL must explicitly stipulate the official ranks/ facilities/ interchanges/ spaces where loading/ranking can take place and facilities where passengers will be set down;
- The service must be provided on all the routes authorised by the OL;
- The authorised vehicle, must be operated in accordance with any management procedures and/or regulations and/or by-laws of the City;
- Rank tokens will be suspended in the event of non-compliance to the management procedures and/or regulations and/or by-laws of the Traffic By-law Section 6);
- The operator must sign an agreement with the City for the use of its facilities, before uplifting an OL.

4.2 Charter Services

This category of service which includes private busses as non-contracted, regular daily services is managed through Charter Services Operating licenses which is completely managed by the PRE in terms of the relevant Western Cape Government Standard Operating Procedures (SOP);

Section 67 of the NLTA provides for the conditions of Charter Services.

4.3 Scholar Transport

Section 72 of the NLTA and Regulation 42 of the NLTR provides for the conditions of this type of service.
4.4 Staff Services
Section 68 of the NLTA regulates Staff services.

4.5 Long Distance Public Transport Services
Section 65 of the NLTA provides for the conditions of Long Distance Transport Services.

4.6 Metered Taxis
Section 66 of the NLTA provides for the conditions of Long Distance Transport Services.

4.7 Tourist Services
Sections 80, 81, 82, 83 and 84 of the NLTA provide conditions of Tourist Transport Services and are mainly dealt with by the National Public Transport Regulator (NPTR).

4.8 Special Events and Major Special Events
Sections 60 and 61 of the NLTA, and Regulation 20 of the National Land Transport Regulations (NLTR), deal with issues surrounding the application and granting of temporary licenses for special and major special events.

4.9 Courtesy Services
Section 53 (1)(a) of the NLTA, exempts courtesy services from needing an OL if the operator operates less than the prescribed number of and type of vehicles. Regulation 29 prescribes that a maximum of two motor cars can be exempt from applying for OL’s. However, if minibuses, midi-buses, and buses are used they will need to be in possession of licenses application for which must be done through the relevant RE.

4.10 Tuk-tuks
Section 70 of the NLTA provides for Tuk-tuk Services in addition to a set of conditions that was published and its amendments approved by the Western Cape Minister of Transport and Public Works in terms of section 36(4)(a) to (h).

4.11 Exemptions
Exemptions from the requirement of operating licenses are provided for in Section 53 of the NLTA.

5. Operating licenses administration system
This section of the document outlines the critical importance of an information management system to inform the balancing of supply and demand of public transport services.

The function of OLAS is to maintain an active record of all operating licensing data, related records of decisions and all public transport route information. A well-managed administration system would assist the balancing of the supply and demand of public transport services as a basis, as well as assisting with enforcement processes. The OLAS is a supplementary system to the OLP.

At this stage, the Provincial Regulatory Entities are responsible for the administration of the OLAS. The key objective of OLAS is to have a database that accurately and reliably reflects the details of all active OLS pertaining to the area at the time any new application is being considered. It is required that the OLAS is made available to the relevant planning authorities so that they can have access to the information base and to make informed decisions in the evaluation and assessment of the applications.

6. Enforcement strategies
This section of the document outlines the law enforcement strategies for ensuring compliance and enforcing the conditions on operating licenses. It also includes institutional arrangements, the interrelationship with traffic law enforcement and the setting of targets and measuring performance.

6.1 Institutional arrangements
The current enforcement agencies comprise the following institutions, namely:
- The South African Police Services (SAPS)
- Provincial Traffic
- Safety and Security
- Transport and Urban Development Authority

These four agencies regularly meet to discuss operational issues with regard to compliance and enforcement of conditions on the Operating Licenses.

6.2 Interrelationship with traffic law enforcement
The law enforcement agencies primarily involved in enforcing the requirements of both the National Land Transport Act No. 5 of 2009 (NLTA) and the National Road Traffic Act No. 93 of 1996, are the Traffic Inspectorates of both the City of Cape Town and the Western Cape Government, assisted where appropriate, by the Metro Police and South African Police Service (SAPS).

6.3 Targets and Measuring Performance
Based on resource priorities, the setting of targets and measuring performance in relation to operating license enforcement involves:
- Reducing illegal public transport operations.
- Addressing current overtrading of Minibus Taxi routes.
- Resolving the issue of destructive competition between different services on the same routes or corridors.
- More visible enforcement.
- Improved enforcement of the public transport infrastructure priority measures.
7. Conclusion

This OLP guides the National Public Transport Regulator (NPTR) and the relevant Regulating Entities in the award of operating licenses for Contracted and Non-Contracted Services within the jurisdictional and functional area, in concurrency with affected municipalities.

Based on the requirements of the NLTA no 5 of 2009 and the related NLTA Regulations, the City sets conditions for the granting of OLs by the NPTR and Regulating Entities. These conditions consist of general conditions applicable to all transactions as well as conditions specific to public transport services. These services include Minibus Taxis services, Private Bus services, Learner services, Staff services, Long Distance Public Transport services, Metered Taxis services, Charter services, Tourist services, Special Events and Major Special Events, Courtesy services and Tuk-tuk services on which public transport services applications for OLs are transacted. When the City rejects an application, the granting authority must comply.

All data and information regarding operating licenses must be accurately and reliably reflected in the OLAS to inform public transport transactions for all applications. At this stage the Provincial Regulatory Entity is responsible for the OLAS. The data and information must be made accessible to affected municipalities.

In order to enforce and ensure compliance with the conditions on the operating licenses law enforcement strategies including institutional arrangements; the interrelationship with traffic law enforcement, the setting of targets and measuring performance remains ongoing.

The OLP forms part of the Public Transport Plan and the Comprehensive Integrated Transport Plan 2018 -2023. On approval of the CIP and in terms of Section 36 (6) of the NLTA, the planning authority will make its integrated transport plan available to the National Public Transport Regulator and the Provincial Regulatory Entity and make recommendations to them relevant to applications for new operating licenses, in the prescribed manner.

8. Appendix 1 – Abbreviations and Acronyms

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<tr>
<th>Abbreviation or Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CBD</td>
<td>Central Business District</td>
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<td>CIP</td>
<td>Comprehensive Integrated Transport Plan</td>
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<td>City/CoCT</td>
<td>City of Cape Town</td>
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<td>IPTN</td>
<td>Integrated Public Transport Network</td>
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<td>ITP</td>
<td>Integrated Transport Plan</td>
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<td>LDPT</td>
<td>Long Distance Public Transport</td>
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<td>NLTA</td>
<td>National Land Transport Act (Act 5 of 2009) as amended</td>
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<td>National Land Transport Regulations or Regulation number 1208 of 2009</td>
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<td>National Public Transport Regulator</td>
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<td>NRTA</td>
<td>National Road Traffic Act</td>
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<td>Operating licenses administration system</td>
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<td>Operating Licensing Plan</td>
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<td>PRE</td>
<td>Provincial Regulating Entity</td>
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<td>Public Transport Interchange</td>
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<td>PTP</td>
<td>Public Transport Plan</td>
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<td>RE</td>
<td>Regulating Entity (as defined in the NLTA)</td>
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<tr>
<td>SAP</td>
<td>CoCT’s Electronic Information Management System (Systems, Applications and Programs)</td>
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<td>SOP</td>
<td>Standard Operating Procedure</td>
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<tr>
<td>TA</td>
<td>Transport Authority (Transport and Urban Development Authority of Cape Town)</td>
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### 9. Appendix 2 - List of References

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