



**Ministerie van Toerisme, Economische
Zaken, Verkeer en Telecommunicatie**
Ministry of Tourism, Economic Affairs, Transport and
Telecommunication

Public Transportation Policy Framework for St. Maarten

September, 2014

Department of Economy, Transportation & Telecommunication



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CHAPTER 1

Introduction

The National Development Plan (NDP) of St. Maarten is built upon four pillars of sustainable development, namely culture, environment and infrastructure, social and human development, and economy. While within government no one pillar is more vital than another, the economy, as a pillar, is essential to realizing the greater mission of the National Development Plan. The economy is the vehicle that mobilizes the resources necessary to achieving the country's development goals. As for St. Maarten, although the economy is dominated by tourism, indirectly it is largely a collection of small businesses that drive the country's economic growth and provide various services. In so doing, this document seeks to foster one such component of the economic pillar, namely, Transportation.

The economic, as well as social, contributions of the Transportation sector make it a vital area of interest. The public transportation sector is one of the islands largest small business groups, dominated by hundreds of entrepreneurs. Bus and Taxi operators account for about 800 small businesses (as it pertains to licenses). In addition there are another 600 plus employees in the form of help and assistant drivers. Therefore it is imperative that this group is given due attention. Strategies for implementing the St. Maarten Public Transportation policy focus on three main areas, namely, the professionalization of the sector, increasing access to services and establishing supportive institutional infrastructure. The Policy takes into account the constraints and opportunities faced by this sector and aims at strengthening institutions which will address these constraints and maximize exploitation of the opportunities. The Ministry recognizes the untapped potential for job creation and revenue generation this sector has to offer.

Through this policy framework, it is the government's intention to identify and address the needs of those businesses that make up the public transportation sector, namely Bus, Taxi, Group (G) and Tour (T) Operators by creating an environment that fosters their development, while simultaneously promoting the professionalism of this sector.



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This document will serve as the architectural plan for the drafting and finalization of the Public Transportation Policy.

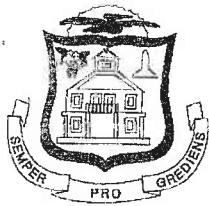
CHAPTER 2

Public Transportation Developments in St. Maarten

Public transportation on the island is characterized mainly by the composition of individually privately owned and operated entrepreneurs. Government itself does not operate National Public transportation, but only facilitates by providing the necessary license, establishment of fares and control and enforcement. The system is plagued by inadequate legislation and policies, limited infrastructure; the sector also suffer from highly inefficient coordination, unprofessionalism, dangerous operating practices, inadequate routing, overlapping schedules and other aspects of service and passenger safety and comfort are disregarded. Many routes are circuitous, overlapping, and since the option is to maximize profit, less profitable routes are not serviced. Despite the challenges faced by the sector, public transportation operators provide an essential service to the population and business community. Further there is greater potential for economic development, job creation and additional government revenues streams.

2.1 Definition

The term Public Transportation for this policy refers to the various forms of transport that comprise our system, this includes, Bus, Taxi, Group and Tour Operators. These operators do not form a government operated system but are private individuals providing mass transport throughout the island. The majority of these private individuals can be classified as small businesses or sole proprietors; very few are limited liability



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companies or N.V.s'. Nevertheless they are to be considered businesses and employers.

2.2 Exiting Government Efforts

The importance of Public Transportation providers has not gone unnoticed to the Government of St. Maarten. The governing Public Transportation (Landsverordening Personenvervoer 'A.B. 1969, no. 7.) dates back to 1969, several amendments were made, as listed below:

- i. Further regulations regarding the Public Transportation Committee (Ao. 1970, no.3)
- ii. Introduction of the term "irregular transportation with number plate G" (AB. 1979, no.3)
- iii. Time frame for the Committee and the Minister to act on a request (AB 1979, no.6)
- iv. Maximum age of 65 was taken out as well (AB 1982, no.4)
- v. Island Decree amending the regulations regarding the Committee. A new paragraph added stating:
 - a. a member of the Committee is appointed for the term of 2 years;
 - b. vacant seats must be filled within 30 days;
 - c. the person fulfilling the seat is bound by the term of appointment of his predecessor;
 - d. retired members are not able to be reappointed within 2 years after retirement.
- vi. The introduction of the term "small busses" (AB 1986, no.19);
- vii. Medical requirement was taken out of the ordinance (AB. 1982, no.4)
- viii. Consequently, the threshold to qualify for a Bus or Taxi License is very liberal, which means almost all requests can come into consideration, and there is no legal reason not to grant the license.

Outside of legislation, the government, via the Tourist Bureau, has also tried to empower



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Public Transportation Operators, mainly Taxi Operators, by providing customer service training, though not mandatory. Additionally, civil society on St. Maarten has also tried to provide customer service training.

Additionally the Ministry has imposed moratoriums on the issuance of Bus, Taxi, G and T licenses, to offset inadequate and weak legislation, and fragmented institutional controls. The Public Transportation Policy Framework intends to support and strengthen institutional synchronization and cooperation, and the drafting of new supporting legislation in order to foster a dynamic public transportation sector.

Although the government is playing such a major role within the process of addressing the needs of the greater business community and economy as a whole, it must also take the responsibility of monitoring the business environment. Though it will be tedious, continuous monitoring can be done clearly through a proper data collection system, thereby tracking the contribution of the Public Transportation sector to the overall economy.

2.3 Constraints faced by Public Transportation in St. Maarten

The relative ease of obtaining a public transportation license as either an owner or driver has lent to the many problems plaguing the sector. The main cause of the problem is due to the fact that the overall infrastructure (institutional and physical) and Public Transportation on the island hasn't kept up with the pace of the rapid developments on St Maarten, in particular with regards to the steady increase in population and tourism growth over the last decades. Outlined below are some of the most prevalent deficiencies and problems within the Public Transportation System:

- i. The existing legislation that governs Public Transportation (Landsverordening Personenvervoer A.B. 1969, no. 7) dates back to 1969 and is outdated.
- i. Medical requirement was taken out of the ordinance (AB. 1982, no.4) - Applicants



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don't have to provide a medical record in order to apply for their licenses. However this poses a serious problem with regards to public safety, since a driver could suffer from a serious ailment and this could pose a danger to the passengers and public on the road.

- ii. The threshold to qualify for a Bus or Taxi License is very liberal;
- iii. There are very few 'checks and balances' pertaining the requirements to apply for a Public Transportation License;
- iv. The Public Transportation licenses are granted for an indefinite time;
- v. A 'one time' stamp duty fee;
- vi. Main source of income – discourages entrepreneurship
- vii. Public Transportation license owners are sole proprietors and thus require no business license. As such they're often not registered at the Tax Office as Sole Proprietor (e.g. business), have no CRIB number and thus pay no taxes on their income. This results in a loss of revenues for Government, which can be used in return for upgrading the Public Transportation Network. In addition makes it difficult for data collection and oversight;
- viii. Lack of sufficient trainings and knowledge obligations to professionalize the sector.
- ix. Lack of routing

The Public Transportation sector faces unique challenges – despite its provision of a vital public service, usually administered by government. However this sector has been allowed to develop unfretted with limited oversight. Taking into account the vital public service and overall safety of the general public, government must increase its control over bus routes, schedules, fares, and overall system design, introducing a 'semi-public operation system', increased its control and oversight while retaining private operators.



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CHAPTER 3

The Value of Public Transportation

3.1 Importance of Public Transportation Operators

The benefits and importance of public transportation impact everyone, even those that use their private cars. Public transportation is critical to our country's transportation system and is essential to the economic and social quality of life of many citizens. On the individual level a properly regulated and functioning public transportation system provides access where otherwise it wasn't available, saves money, and provides people with choices, and opportunities. On the national level a properly regulated and well-functioning public transportation system can lower dependence on fossil fuels, support our countries goals and policies, job creation and revenue streams. Public Transportation is important to almost all economies, especially to small developing and transient economies like St. Maarten's where affordability and access are key. An efficient Public transportation has the potential to help everyone - commuters, families, students, senior citizens, persons with disabilities - provide access.

3.2 Rationale for a Public Transportation Policy Framework

Public Transportation is a critical social and economic necessity for a developing country as ours. Transportation helps build a strong and prosperous economy, and investments in public transportation generate significant economic benefits. Transportation provides access. Public transportation not only helps to maintain and create jobs, as currently we have over about 350 bus licenses, 450 taxi license, and 631 help drivers. Transportation also moves people to and from their jobs. St. Maarten's economy is dominated by a robust tourism sector, carrying with it large resorts, and supporting small businesses. However the Tourism sector as a service industry does carry a high level of lower paying jobs, thus the ability to get to one's job consistently and affordably is critical to



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many employees. With increased access, more employers have a larger labor pool from which to choose.

Renewable energy is a national priority as illustrated in the recently approved National Energy Policy and also on the OCTA level. The development of an efficient, safe and comfortable public transportation system can assist on the work toward reducing our dependence on imported oil. Additionally, the use of public transportation reduces congestion and is an alternative to ever increasing gas prices. The use of Public transportation produces less carbon monoxide (CO), organic compounds (VOCs), and carbon dioxide (CO₂) and nitrogen oxide (NO_x), per passenger mile, as private vehicles.

CHAPTER 4

The Objectives of the Public Transportation Policy Framework

4.1 Vision

The vision of St. Maarten's Public Transportation Policy Framework is the realization of a vibrant and professional Transportation sector that effectively and efficiently utilizes available resources to realize sustainable economic growth.

4.2 Mission

The mission of this Framework is to stimulate the development and growth of public transportation through increased professionalization, development of entrepreneurship, job creation and increasing access services and establishing supportive institutional infrastructure.

4.3 Overall Objective

The overall objective of this Framework is to foster job creation and income generation by empowering and professionalizing the Public Transportation sector to increase their performance and contribution to the socioeconomic



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development of St. Maarten.

4.4 Scope of the Policy Framework

This Public Transportation Policy Framework addresses the following key issue areas:

- i. Assess the current transportation sector
- ii. Developing and fostering public-private partnerships that promote increasing the level of professional development within the Transportation;
- iii. Amend, draft supporting legislation;

CHAPTER 5

Strategies for the Development of St. Maarten's Public Transportation Sector

A thorough evaluation and assessment of St. Maarten's Transportation sector has indicated that the sector is facing a number of constraints which in turn limit the growth and full potential of their development. These constraints are the starting points of this document. Given the previously described socioeconomic importance of Public Transportation, this policy framework provides a number of policy prescriptions aimed at addressing the challenges faced by Public Transportation.

Throughout the rest of this section, challenges are identified and potential Government interventions are outlined. The main areas of focus include the regulatory framework and infrastructure in which Public Transportation operate, the professionalization of Public Transportation and entrepreneurs, and the strengthening of institutions that support the development of the Public Transportation sector.

5.1 Legal and Regulatory Framework

While the Government of St. Maarten has introduced a number of policies regulating the country's business environment, there is no existing legislation that is specifically tailored



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to public transportation. The lack of tailor-made legislation is yet another challenge faced by the Public Transportation sector. Due to this lack of legislation, Public Transportation does not operate in a legal framework that takes into consideration the unique challenges that operators face. Government must include private sector partners to ensure that such a policy articulates the needs of the Public Transportation sector and is translated into stronger legislation.

Policy Statement:

The Government will consult with stakeholders to formally draft and implement Public Transportation legislation designed to support, enhance safety control and enforcement and professionalize the public transportation sector.

5.2 Physical Infrastructure

The infrastructure in which public transportation operates plays a crucial role in the success of the sector. St. Maarten's infrastructure, which includes road networks, electricity, water and telecommunication, is both costly and unreliable. The lack of proper transportation infrastructure such as bus depots, and bus stops, hampers the consistent and effective operation of Public Transportation. It is essential that the government continuously take the necessary steps to improve the country's infrastructure so that Public Transportation is not plagued with inadequate services.

Policy Statement:

The Government will continue to improve the physical infrastructures via the provision of bus stops, bus depots/stations and routing, in collaboration with private sector and other development partners.



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5.3 Professionalization

As a social and economic service Government accepts the role of facilitator and provider of a safe environment and the continued growth and development of Public Transportation.

5.3.1 Mandatory Training

Public Transportation operators have a huge responsibility as they are required to transport, on a daily basis, large numbers of citizens. It is therefore imperative that such operators have the necessary mandatory trainings.

The training consists of the following four elements:

- i. Rules of the road, in particular pertaining to Public Transportation
- ii. Improvement of Customer Service
- iii. Basic Medical Requirements (First Aid and CPR)
- iv. Cultural and historical knowledge of St Maarten

Policy Statement:

The Government will develop, and implement a comprehensive mandatory training program for all operators of within public transportation.

5.3.2 Medical Requirement

Public Transportation operators have a very demanding job, and a healthy body and mind are essential in order to protect passengers and other road users. Thus it important that all operators undergo annual medical examinations, by an appointed government physician, in order to ensure the good health of drivers. The purpose of the physical examination is to



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certify the drivers are of sound body and mind. That there is no presence of physical, mental, or emotional defects of such character and extent as to affect the driver's ability to control and safely operate a Public Transportation Vehicle and evacuate passengers from a Public Transportation Vehicles in the event of an emergency. All medical information will be handled confidentially and due to privacy the physical examination form will stay with the Medical examiner.

Policy Statement:

The Government will development and implement a mandatory medical screening system for all operators of public transportation.

5.3.3 Public Transportation Committee

The success of public transportation depends on the cooperation of private public partnership. Thus it is important that all stakeholders within in the sector are represented. Such a committee should advise on the holistic level and refrain from advising on individual licenses.

Policy Statement:

The Government will facilitate a holistic approach towards the Public Transportation Committee and will revamp the objective and responsibilities of said Committee.

5.3.4 Employment

Public Transportation's broad reach extends to all of persons within the communities, and is source of many employment opportunities. However currently may persons working in the sector lack the necessary protection in the form of job security, pension and access to medical coverage. To ensure a dynamic sector, it is necessary to professionalize public transportation. What is known as help drivers and assistant drivers in its current format will be revamped and remolded to ensure



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that all persons working in the field of transportation has the necessary protections. All operators will be certified for a renewable period, based on conditions, allowing them to work freely on the open market, without the need for owners to request for a help driver or assistant driver permit. The objective is to stimulate healthy competition; ensuring drivers enjoy employee status and professionalize the sector.

Policy Statement:

Government will facilitate the revamping of the license, help driver and assistant driver system.

5.3.5 Routing

Currently licenses are generally issued without indicated any specific routes. Operators have developed their own unofficial routes. This works in part however, many less lucrative areas are not serviced. Areas considered more affluent is also not serviced, though these areas do have a large working class in the forms of domestics. The result is that gypsies service these routes which are expensive (monopoly), and dangerous as there are undocumented. Routes are also circuitous, and overlapping, as there is no coordination between operators, as the objective is to maximize profit rather than service.

Policy Statement:

The Government will develop a coordinated routing and monitoring system.

5.3.6 Information Dissemination

As the Government moves to introduce new legislation and programs that target public transportation, it is imperative that the sector is aware of such developments and how they can benefit. As information is essential to promoting all economic activities, steps



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are to be taken to ensure that all stakeholders have equal access to information about public and private sector initiatives.

Policy Statement:

The Government will promote the dissemination of information and facilitate equal access to development opportunities.

5.4 Access to Services

For all businesses, it is necessary to have access to adequate services; the transportation sector is no exception. Considering the uniqueness of the sector whereby it functions through several private individual companies it is imperative that key services are available.

Policy Statement:

The Government will encourage local institutions to support Public Transportation in areas of such as pensions, medical and financing where applicable.

5.5 Institutional Framework for Public Transportation Development

The Public Transportation sector is often overlooked as small businesses and not given the necessary documentation or services. Business Service Organizations (BSOs), Non-Governmental Organizations (NGOs) and other development partners are working towards the creation and implementation of programs and initiatives to support St. Maarten's Public Transportation sector. In the past, many of these programs have not had the desired impact due to insufficient funding, lack of information dissemination or the lack of proper coordination between stakeholders. These challenges can be met by supporting both governmental and NGO efforts that attempt to assist Public Transportation as these organizations will require further assistance.



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Policy Statement

The Government will support and facilitate the strengthening of BSOs and NGOs that support the Public Transportation sector.

Taking into consideration the strategies for public transportation development mentioned throughout this chapter, the Ministry of Tourism, Economic Affairs, Transport and Telecommunication is committed to taking the lead to ensure the coordination and success of the aforementioned initiatives.

CHAPTER 6

Roles and Responsibilities under the Public Transportation Policy Framework

The articulation of the previously outlined policy statements is essential to the realization of St. Maarten's Transportation sector. Parallel to this is the importance of properly outlining the various roles and responsibilities of stakeholders. The identification of stakeholders and demarcation of responsibilities allows for the smooth operationalization of programs and implementation of legislative changes. As the challenges that face Public Transportation fall under the responsibility of numerous governmental departments and ministries, various Business Service Organizations as well as a vast range of Non-Governmental Organizations, it is important that the roles and responsibilities of the respective bodies are outlined.

Government

The primary task of the Government of St. Maarten is to create and foster a business professional environment that fosters the creation and continued growth of public transportation operators. With this task, the Government must take the lead in realizing the country's vision. The Government will do this by continuing to promote three main



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areas, namely, the professionalization of the sector, increasing access services and establishing supportive institutional infrastructure.

Private Sector

While Government, through this policy framework, leads the development of the Public Transportation sector, the private sector, in the form of the license holders, is at the center. Thus, the private sector should take on the responsibilities associated with the developments in the sector and should be willing to work collaboratively and partner with Government.

CHAPTER 7

Monitoring and Evaluation of the Public Transportation Policy Framework

This document outlines a number of objectives to be achieved through the implementation of the policy statements. As the document outlines the objectives as well as the responsibilities of various stakeholders, it is essential that it also include means of monitoring and evaluating the success of realizing its goals. It is suggested that the growth of Public Transportation be monitored by tracking changes in annual business license fees paid by Public Transportation as well as increases in taxes paid by Public Transportation. Additionally, monitoring of the service provided to clients – the public in the form of routes covered, price regime, and service to the elderly and youth (school going) to mention a few.

7.1 Action Plan

The public transportation sector on the island is one of the largest small business sectors, and should be nurtured. The objective is to promote small business development and promotion. Thus it is government's role to facilitate this process. In so doing the following action points will be implemented is follows:



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i. Approval of Policy Framework

Timeframe – September 2014

The aforementioned policy framework should be viewed as an architectural plan for the drafting of a thorough ministerial policy. The drafting, approval and execution of the Public Transportation Policy Framework was done taking into consideration:

- The fact that the government is committed to strengthening micro, small and medium enterprises - one such sector is public transportation;
- The fact that the government intends to develop policies and draft legislation to develop, promote and professionalize the public transportation sector;

ii. Consultation with Stakeholders

Timeframe – October 2014

It is vital to consult with a wide variety of stakeholders. Over the last ten years the Ministry has held consultations with the various Bus and Taxi Associations and their input is reflected in this policy framework document. However, as much time has passed there is a need to renew consultations, but this time it is important that a product is delivered shortly thereafter to avoid a repeat of the same.

Widespread consultation:

- Increases the quality and quantity of input and reduces the chances of group think. It is possible that those closest to the subject matter are also those most resistant to change. A broader perspective challenges traditional thinking and increases the possibility of more creative decision making and problem solving.
- Encourages ownership of the final product.
- Widespread consultation improves relationships. It reduces the chances of misinformation and accusations of lack of transparency.

iii. Finalization and Approval of Policy



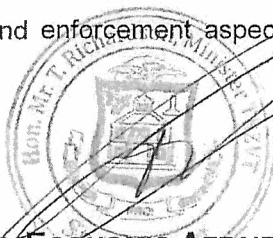
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Timeframe: November 2014

Within completing the various rounds of consultations, the information will be compiled and a final document completed. The consultation rounds will take into consideration all the various consultations, including those rounds from 2014.

iv. Drafting and Finalization of Supporting Legislation

The continued success of this project must include the necessary supporting legislation, to lend credibility and legitimacy. Additionally, this will greatly assist the Ministry in its control and enforcement aspect and in professionalizing the sector.



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