

*Information note for the public  
consultation on the proposed*

**Small Public Service Vehicle  
(Contingency Measure – Vehicle Supply)  
(Maximum Permissible Age)  
Regulations**

*National Transport Authority*

## NTA's Regulatory Function

The National Transport Authority (NTA) is the public transport authority for the Greater Dublin Area and the public transport licensing agency for Ireland.

NTA is responsible for regulation of the small public service vehicle (SPSV) industry in Ireland. As at 31 August 2022, the SPSV fleet included 17,158 active taxis and hackneys, with 2,156 licences in inactive status (i.e. eligible to be renewed within 24 months of the original vehicle licence expiry date).

As part of NTA's regulatory function, and in accordance with Section 20 of the Taxi Regulation Acts 2013 & 2016, NTA may make regulations in respect of the type and age of a vehicle which may be used as an SPSV. Regulation 31 of the Taxi Regulation (Small Public Service Vehicle) Regulations 2015 specifies the "maximum permissible age" limits for operating a vehicle as a taxi or hackney, colloquially termed the 10 year rule.

## Summary

During the COVID-19 pandemic, a number of measures were taken to support the SPSV industry. One of these was the introduction of emergency regulations to temporarily extend the maximum permissible age of taxis and hackneys given the enforced lack of passenger demand during the Covid restrictions which decimated the earning capacity of SPSV operators.

Several emergency regulations were completed in a phased approach in line with evolving global and State public health predictions on the expected duration of the pandemic. As the forecast worsened and travel restrictions extended, so did the emergency regulations.

As a result of these emergency regulations, no taxi or hackney was required to exit the SPSV fleet as a result of age during the public health restrictions and beyond (2020, 2021 and 2022). Those vehicles are permitted to remain in the fleet until the day and month of their original final operation date but in 2023.

However, recent Covid lockdowns in critical auto part manufacturing locations, climate, energy, and geopolitical challenges, in particular, have made it unfeasible for all end of life taxis and hackneys to be replaced throughout 2023.

The current and emerging factors facing licence holders for the replacement of end of life taxis and hackneys are creating a perfect storm of constrained vehicle supply. These include:

- Russia's military aggression against Ukraine and the unpredicted continuation of the global shortage of semiconductor chips, neon, nickel and palladium;
- Energy rationing in Europe;
- Logistics disruptions in Germany;
- Covid-19 lockdowns in China; and
- Supply to Ireland.

A pragmatic response is required to control the impacts of matters outside of the State's control. Resultantly, NTA is considering making a temporary exceptional contingency provision in relation to the maximum permissible vehicle age limits of vehicles due to reach their end of life before 2025.

The proposal is to extend the maximum permissible age for taxis and hackneys such that no current vehicle licence holder is forced out of the industry as a result of vehicle age because a replacement vehicle cannot be purchased in the current restricted supply environments, with a staggered return to normal age limits.

Recognising the current restricted supply environments, confirmed in the past three weeks by the reversal of the earlier predictions of auto-manufacturers worldwide, who now forecast that supply capacity will only turn for mass produced vehicles in 2024, as a result of the continued and emerging exceptional geopolitical, Covid lockdown and climate challenge circumstances, NTA proposes the following:

1. enactment of the Small Public Service Vehicle (Contingency Measure – Vehicle Supply) (Maximum Permissible Age) Regulations 2022 to permit SPSVs with a current final operation date in 2023 and 2024 to operate for a period beyond the maximum permissible age set out in Regulation 31 of the Taxi Regulation (Small Public Service Vehicle) Regulations 2015 (as may be amended);
2. phasing out these temporary exceptional contingency Regulations from 2025 for the oldest extended life vehicles (15 and 20 years) to ensure an easier transition back to those appropriate Regulation 31 SPSV age limits; and
3. a review of the suitability of the exceptional contingency Regulations at the end of 2023.

## Background

The responsibility for the regulation of the small public service vehicle (SPSV) industry by NTA includes regulation of the age of a vehicle which may be used as a small public service vehicle, under the powers set out at section 20 of the Taxi Regulation Act 2013 – the maximum permissible age of a taxi or hackney.

A taxi or hackney licence granted by NTA shall expire on the earlier of the date falling—

1. one year after the date on which it was granted (annual renewal),
2. *the date upon which the vehicle reaches its maximum permissible age,*
3. the surrender of the licence by the holder,
4. the revocation of the licence under the Principal Act, or
5. the licence holder ceasing to be legally entitled to the use and possession of the vehicle to which the small public service vehicle licence relates.

This Information Note deals with point 2 above, the expiration of a taxi or hackney licence by virtue of the associated vehicle reaching its maximum permissible age.

The “maximum permissible age” in this context means the age of a taxi or hackney beyond which that vehicle may not be licensed as a small public service vehicle of the relevant vehicle licence category. The age of the vehicle is calculated from the exact date on which it was first registered (day, month and year) in any country/jurisdiction. Once a vehicle reaches its maximum permissible age, the licence holder may not apply to NTA for the renewal of a vehicle licence on that vehicle. A younger replacement vehicle must be purchased, and both a roadworthiness test (NCT) and an SPSV initial suitability test completed.

The Irish 10 year rule for standard taxis and hackneys, with 15 years applying to wheelchair accessible vehicles, is not onerous by comparison with like jurisdictions (with Euro 6 (diesel) / Euro 4 (petrol) emission standards requirements or 7 to 10 year age limits).

The maximum permissible age of taxis and hackneys was considered by the Board throughout the Covid-19 restrictions when SPSV drivers could not gain an income from SPSV service provision.

Currently, by means of emergency regulation, SPSVs with an original final operation date during the Covid restrictions period in 2020 to 2022, may continue to provide SPSV services until their initial date and month of expiry in 2023, subject to all other licensing conditions. Thus, as at 07 September 2022, 3,751 currently licenced taxis and hackneys would need replacement throughout 2023. The preCovid norm for a replacement vehicle being required ranged from 750 – 2,000. The forecast for 2024 and 2025 is 2,328 and 2,202 respectively at present; obviously that reduces as time passes and operators choose to avail of grants or replace their vehicles of their own volition.

The following table shows the change of vehicles which took place irrespective of the legal extensions permissible up to end August 2022:

Status as at 31 August 2022	36 month MPA Extension		24 month MPA Extension		12 month MPA Extension		Availed of Regulatory Benefit
<b>Replaced the vehicle on the licence</b>	<b>431</b>	<b>56%</b>	<b>650</b>	<b>36%</b>	<b>431</b>	<b>21%</b>	<b>No</b>
☐ Licence Current	410		646		430		
☐ Licence inactive	20		4		1		
<b>Entered Inactive Status - up to 24 months</b>	<b>19</b>	<b>2%</b>	<b>157</b>	<b>9%</b>	<b>275</b>	<b>14%</b>	
<b>Permitted licence to go dead</b>	<b>91</b>	<b>12%</b>	<b>148</b>	<b>8%</b>	<b>117</b>	<b>6%</b>	
<b>Renewed licence with same vehicle</b>	<b>222</b>	<b>29%</b>	<b>828</b>	<b>46%</b>	<b>1,200</b>	<b>59%</b>	<b>Yes</b>
☐ Licence Current	181		739		1,192		
☐ Licence inactive	41		89		8		
Maximum Permissible Age not reached	0	0%	0	0%	13	1%	
<b>Total</b>	<b>763</b>	<b>100%</b>	<b>1,783</b>	<b>100%</b>	<b>2,036</b>	<b>100%</b>	

## Proposal

Recent climate and geopolitical challenges, in particular, have made it unfeasible for end of life SPSVs to be replaced throughout the next 12-15 months. However, recent SPSV service demand is on average 20-45% greater than 2019 levels.

The factors facing licence holders for the replacement of end of life SPSVs are creating a perfect storm of constrained vehicle supply. These include:

- An unpredicted continuation of the global shortage of semiconductor chips and palladium:
  - Russia and Ukraine are major producers of key raw materials used in semiconductor manufacturing. Pre March 2022, Ukraine produced 70-80% of the global supply of neon, and Russia produced 35-45% of world's palladium supply. The palladium shortage is key as it is essential for the production of catalytic converters;
  - 63% of the global supply of semiconductors were manufactured in Taiwan in 2019. Now, 92% of the world's most advanced semiconductors are now manufactured by TSMC-Taiwan Semiconductor Manufacturing Company. The geopolitical unrest there since August is further impacting global semiconductor supply in the short term, while making the recovery of the current shortages uncertain in the medium to long term;
- Energy rationing in Europe:
  - Russia's indefinite suspension of the Nord Stream Gas supply on 05 September will result in energy rationing in Europe (particularly in auto manufacturing Germany). Residential use will be prioritised over heavy industry, further depressing vehicle production and increasing overall costs;
- Logistics:
  - The August drought has left the water level of parts of the Rhine and the Danube too low for ships to pass, causing further significant disruption to supply chains, in particular the transport of oil and coal;
- Covid-19:
  - the Chinese lockdown policy continued to impact the supply of raw materials and components in August and its policymakers advise that Covid lockdowns will remain;
- Supply to Ireland:
  - as Europe's largest right-hand drive car market for auto-manufacturers, the UK is more attractive for new car sales (with lower taxation and stronger sterling);

- the shortage of new cars in the Irish market (and very significant lead times) creates a shortage in internal used car supply;
- the demand for used cars cannot be met, resulting in higher prices;
- a much reduced new and used car supply post Brexit as UK imports now attract higher taxation (customs duty, VRT, VAT); and
- the pent up demand for new premium vehicles will be serviced by auto-manufacturers before the demand for mass produced standard vehicles.

A pragmatic response is required to control the impacts of matters outside of the State's control. Resultantly, NTA is considering making a temporary exceptional contingency provision in relation to the maximum permissible vehicle age limits of vehicles due to reach their end of life before 2025. The proposal is to extend the maximum permissible age for taxis and hackneys such that no current vehicle licence holder is forced out of the industry on the basis of age because a replacement vehicle cannot be purchased in the current exceptional geopolitical, climate challenge and restricted supply environments.

Recognising the current restricted supply environments, confirmed in the past three weeks by the reversal of the earlier predictions of auto-manufacturers worldwide, who now forecast that supply capacity will only turn for mass produced vehicles in 2024, as a result of the continued and emerging exceptional geopolitical, Covid lockdown and climate challenge circumstances, NTA proposes the following:

1. enactment of the Small Public Service Vehicle (Contingency Measure – Vehicle Supply) (Maximum Permissible Age) Regulations 2022 to permit SPSVs with a current final operation date in 2023 and 2024 to operate for a period beyond the maximum permissible age set out in Regulation 31 of the Taxi Regulation (Small Public Service Vehicle) Regulations 2015 (as may be amended);
2. phasing out these temporary exceptional contingency Regulations from 2025 for the oldest extended life vehicles (15 and 20 years) to ensure an easier transition back to those appropriate Regulation 31 SPSV age limits; and
3. a review of the suitability of the exceptional contingency Regulations at the end of 2023.

The proposed Small Public Service Vehicle (Contingency Measure – Vehicle Supply) (Maximum Permissible Age) Regulations will be a temporary exceptional contingency provision in direct response

to the continuing and unresolved state of ongoing vehicle supply shortages in the interests of supporting an industry to continue to provide a public transport service.

From 2025 onwards, Regulation 31 of the Taxi Regulation (Small Public Service Vehicle) Regulations 2015 (as may be amended) and the maximum permissible ages it sets out (colloquially the 10 rule) will be phased back in.



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