

Chapter 16

Transport Management: The Renovation of the Road Pact

Igor Pouchain Matela

Abstract In 2010, for the first time, a public bidding was held for the private concession of the entire bus transport system of the city of Rio de Janeiro. Until then, the operation of this transportation modality, the hegemonic one in the city, had been conducted through legally precarious permits. The contractual relations between the state and the traditional bus companies in the city, the bid-winners, could be identified as a rupture with the previous model. However, this analysis points to a complex picture of continuities, adaptations, and trends of changes included in a more general context of the deepening of market logics in the regulation of the public transportation sector.

Keywords Urban transport · Regulatory transition · Neoliberalization · Bus · Rio de Janeiro

16.1 Introduction

In 2010, for the first time, a private concession (via bidding) of the entire bus transportation system in the city was held. Until that time, the operation of bus lines was based on government license to companies that had traditionally worked in the city. This shift toward a more regulated form of the statute of public service is not restricted to a mere legal issue, but has important implications in the very structuring of the metropolitan transport system, the relations of the bus companies with the state, and the power relations within the sector.

Historically, bus entrepreneurs constituted one of the main forces in the *Carioca*¹ urban policy. The busing hegemony model characterized as a public transport system dominated by private companies in the city of Rio de Janeiro gets

¹*Carioca*, in Portuguese, is the city of Rio de Janeiro demonym.

I.P. Matela (✉)
IPPUR/UFRJ, Rio de Janeiro, Brazil
e-mail: igormatela@gmail.com

consolidated from the decade of 1960 onwards. Since then, these companies have strengthened their economic and political power, aggregating great influence in the coalition of interests that formed urban governance in the city.

This chapter addresses the reorganization of transport by bus in the city of Rio de Janeiro due to changes in sector regulation. First, there is a characterization of the importance of transport by bus in the city of Rio de Janeiro within the metropolitan context. Then, the rise of bus companies and their hegemonic consolidation in the transport system are analyzed. Afterwards, this article demonstrates how the creation of an idea of crisis in this system provided the basis for market-oriented alternatives in the provision of services. Finally, it examines the private concession of transport by bus held from 2010 by the City Hall, the emerging rationality, the meaning of the regulation change, and how the process develops empirically, the conflicts, and the adjustments recorded to date.

16.2 Bus Transport in the City of Rio de Janeiro in the Metropolitan Context

Public transport in the Metropolitan Region of Rio de Janeiro (*Região Metropolitana do Rio de Janeiro*—RMRJ) is done primarily in five ways: bus, metro/subway, trains, boats, and vans² (legalized or clandestine). Despite this apparent diversity of modes and displacement options, there is a primacy of road transport by bus with a share of about 77%³ in total displacements made by public transport in the metropolis. While it is the state government's duty to regulate intercity transport in the RMRJ, municipalities are responsible for regulating public transport within the limits of their territories. Thus, the state government regulates trains, subways, ferries, vans, and intercity buses and each City Hall regulates the vans and intra-municipal buses.

Internal displacement to the municipality of Rio de Janeiro (originating and terminating within the administrative limits of the municipality) accounts for 58%⁴ of all daily trips in the RMRJ. To this concentration in the core city of the metropolitan area, it must be added that 71.6%⁵ of internal displacements are made by bus. This enables the affirmation that the bus system of the municipality/city of

²Vehicle for public transport of a limited number of passengers (usually carries between eight and 16 people); also adapted as a “food truck” and for selling quick meals and transportation of light goods.

³2011 Urban Transport Masterplan.

⁴2003 Urban Transport Masterplan.

⁵Rio de Janeiro City Hall Data Warehouse. Data on alternative means of transport were not contemplated, such as transportation by vans and kombis (a nickname given by Brazilians to the Volkswagen Transporter, which was later adopted by the company as the official model name in this market).

Rio de Janeiro is the most significant in quantitative terms in the metropolitan transport infrastructure.

16.3 Trajectory of the Bus Companies and the Construction of Their Hegemony in Public Transport in Rio de Janeiro

Bus companies currently dominate the public transport sector in the city of Rio de Janeiro. Their hegemony in the sector and political importance in the urban coalition is the result of a trajectory especially built after World War II. Disputes that arise around this service are fundamental to understand their rise and monopoly among public transports.

At the end of the war, with the economic recovery, the strengthening of political and trade relations with the United States, the reestablishment of the import capacity and the normalization of the supply of fuel, there was the creation of conditions for road transport to present itself as a viable solution for the urban transport crisis. New North-American buses with greater capacity and speed were introduced in the market through imports favored by public financing and the exchange rate policy. With the end of the *Estado Novo*,⁶ a new government rises to power, one that assumes a more liberal perspective, which stimulates the creation of new bus companies to quickly expand supply. Thus, new lines are created, and the service starts to grow exponentially and in a sprayed way, mainly through the *lotações*, which now compete with buses and trams.

Lotações were smaller vehicles (minibuses) with a seating capacity between 10 and 21 seats that had arisen during the war, and were tolerated due to the crisis in public transport in the period. They were popularized due to their flexibility and speed and were operated by “freelancer” drivers; they followed no fixed routes until the early 1950s. They were a strong competition both to trams—covering overlapping routes—and to buses, which were less flexible in terms of routes and frequencies, both of which were regulated by the government.

Buses and minibuses met the transportation needs of the growing urban peripheries and made feasible the sprawling of the city to vast areas not served by other means of transport. The road model, in a way, gave conditions for a rapid dynamics of real estate speculation and of peripherization of the city of Rio de Janeiro. Thus, the road transition allowed a new momentum and enabled a new way for the expansion of the occupation of urban space in Rio de Janeiro. In addition, it has united, around its construction, a strong coalition of interests in capitalist accumulation, involving the public works sector, the construction of roads and the

⁶Nationalist dictatorial regime, led by Getúlio Vargas between 1937 and 1945.

real estate circuit, with the incorporation of new areas resulting from the accessibility provided; and, lastly, the bus transport companies.

From the late nineteenth century until the 1930s, railways had directed the expansion of the city of Rio de Janeiro toward certain vectors. This period is characterized as the first phase of accelerated expansion of the urban area, based largely on the reproduction needs of certain fractions of domestic and foreign capital (Abreu 1987). The city, so far with an urban settlement structure still heavily marked by its colonial characteristics, experienced an accelerated development of its transport sector that would facilitate the sprawling of its urban area. Trams allowed the gradual occupation of the north and south (higher income regions), while the deployment of the trains directed the occupation of the poor suburban region.

The 1940s and 1950s witnessed a metropolitan explosion derived from a migration especially powered by its condition as Federal District/Capital of the country, with a notable increase in the urban area, especially toward the metropolitan periphery. This would result in a strong increase of the demand for transport with exponential increases in the number of trips (characterized by commuting back and forth) and distances. This time, the transportation axes that enabled the occupation were not primarily railways, but new avenues toward the periphery and neighborhoods in the city limits. Moreover, in the period between 1954 and 1965, for the first time such cross structuring routes appear in the suburbs providing a better link between suburban regions and breaking the relative rigidity established from the old railways (Kleiman 2001).

Therefore, the end of the 1940s marked the beginning of a transition that will be consolidated in the 1960s. The dominant pattern of urban transport in Rio de Janeiro is no longer railways (trams and trains), but now mainly relies on the road model (buses, minibuses, and private cars). It is a period of many interventions for road traffic in the city (construction of tunnels, viaducts, and expressways). Buses become the main organizing means of transport, no longer being a complementary service, while trams and trains are gradually deteriorating and losing their importance (Chart 16.1).

This road transition will develop, until the early 1960s, based on a highly sprayed model set on the operation of minibuses. The multiplication of such vehicles in urban transport has created a highly competitive environment and an excess of vehicles vying for passengers on the streets. It is estimated that in the late 1950s, there were more than 5 thousand minibuses circulating the city streets, especially between the center and the South Zone. There was little supervision and few obligations for the operators of this type of transport. The minibuses were responsible for the decline of the old bus companies and the cable cars in the main areas of the city and the source of the emerging order of urban transport in the city in the 1960s. Because of this, Pereira (1987) sustains that minibuses were, in fact, de-structuring the old model. The competition imposed by them, on the fringes of

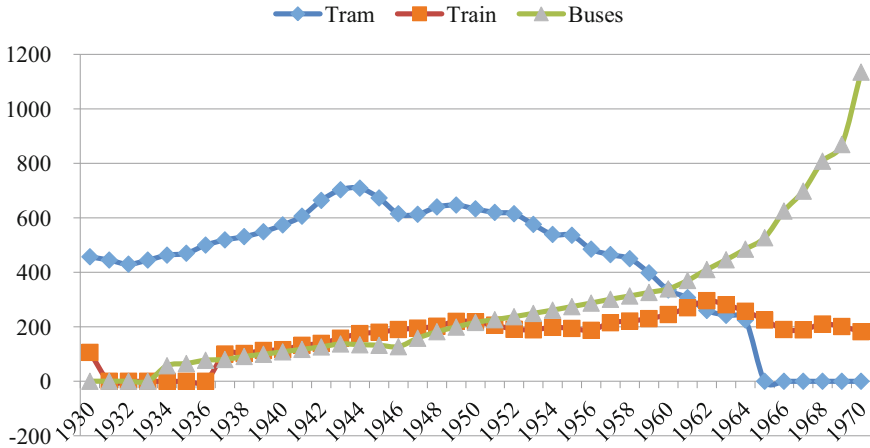


Chart 16.1 Passengers transported per year by transport means (1930–1970). *Source* Barat (1975)

the regulations, made several of the former formal bus companies bankrupt.⁷ The minibuses created the conditions for the emergence and the appearance—thus they might be considered the embryos—of the second generation of bus companies that came to dominate the public transport in the city (Pereira 1987).

From 1958 to 1967, a series of regulations on public transportation from the City Hall will give the basis for a new conformation of the sector and the ultimate hegemony of bus companies in Rio de Janeiro. In general, state regulation was to stimulate and often determine the concentration of capital in the sector, establishing minimum numbers for fleet companies. In 1958, it established the permission regime for the operation of public transport service. In this system, there is no predetermined revaluation or expiration dates and the rights and obligations of the grantee are not clearly established. In practice, the permission came to favor decisions on transport by the bus companies. In 1963, the minibuses were banned and the bus became the only road vehicle in public transport.

Electric trams are finally extinct in 1964 in the city of Rio de Janeiro. As a result, there was a great wave of mergers and acquisitions, especially among the owners of small fleets of minibuses who became associated with new bus companies to conform to legislation. Therefore, new companies emerge from the former owners of minibuses or from drivers' unions. From these measures, emerges the new logic of transport in the city: priority for buses; state regulation to limit the number of firms and restrict competition between them; area boundaries for each company, creating spatial monopolies and a permission system (Pereira 1987).

⁷Only four bus companies “survived” the period of the open competition with the *lotações* (minibuses).

Authors such as Pereira (1987) and Orrico and Santos (1999) show the influence of the interests of the entire industry associated with road transport in this new orientation of transport policy. Vehicle body plants, chassis dealers, oil companies, among others, were all very interested in the development of the sector, while the incipient automotive industry saw in the market of the formal bus companies an important demand, reinforced by regulations that stipulated fleet renewal periods.

Therefore, the 1960s was an instrumental decade to the history of public transport in Rio de Janeiro, since it completes the road transitional period that had begun after the war and lays the foundation for the field and the consolidation of the bus system in Rio de Janeiro in the following decades. Since then, public regulation led increasingly to business concentration, creating a barrier to the entry of new companies into this system. A specificity of this process is the continued existence of a large number of companies, now concentrated in the hands of a smaller group of entrepreneurs.

The argument of the government and proponents of incentives to the concentration of capital was that the large number of companies competing against each other would be an obstacle to the planning and organization of transport. The result was that the concentration process favored the consolidation of few and large groups of private bus companies that have become increasingly powerful, politically and economically. This power is linked to the strategic position that the companies achieved in the provision of an essential service to life in the cities, as in the case of mass transportation in Rio. They imposed and legitimized themselves as representatives of the sector, influencing policies and public investments in the various spheres of the state apparatus.

Thus, between the decades of 1970 and 2010, the power of the companies established a model that had among its main points: control of a virtually closed market, with a guarantee of profitability, as well as blockade to the entrance of any new competitor; spatial monopolies in certain areas, as variations or line changes began to be made by the companies that were already operating in them, circumventing the legal requirement of bids; cash billing resulting from millions of trips per day; assurance of transfer costs for tariffs through spreadsheets informed by the companies themselves; consolidation of the legal character of permit holders. In practice, the planning system was also made by the companies, even if in a fragmentary way, upon request lines, additions, and dismemberment. The City Council authorized only what was decided privately. The period was also characterized by resistance to any change that did not come from the companies' own formulations.

The political organization of the category was through the employers' unions. The Rio de Janeiro State Federation of Passenger Transport Companies (*Federação das Empresas de Transporte de Passageiros do Estado do Rio de Janeiro*—Fetranspor) brings together ten unions of bus companies in the state of Rio de Janeiro and has a role in formulating strategies and policies across public spheres. The main union that makes up Fetranspor is *RioÔnibus*, which represents bus companies in the city of Rio de Janeiro.

More schematically, Pereira (1987) identifies two key moments in the recent history of relations between the government and the bus companies in Rio de Janeiro. The first, during the 1960s, showed strong state intervention to promote the creation of new bus companies (larger, more capitalized and organized) to the detriment of trams and minibuses. In a second moment, the system is consolidated in increasingly more concentrated and powerful groups with a strong union and hegemony in the municipal and metropolitan transport. Sector policies become, increasingly and essentially, the endorsement of the companies (in fact, often policies are formulated from companies). This paper understands that, from 2010 onwards, with a broad concession of the bus transport system in the city of Rio de Janeiro, a third moment is established in this relationship between businesses and the government.

16.4 From the “Public Transport Crisis” to the Regulatory Transition

From the 1990s, the public transport bus sector experiences a decrease in absolute number of passengers in the city of Rio de Janeiro. A first decline can be attributed to the fact that companies are now required to carry public students, the elderly and the disabled people free of charge and the volume of passengers drops to a level slightly lower than it had in previous years. The number remains stable until 1998, when starts a period of constant passenger losses. A period that lasts until 2005. (Chart 16.2).

With local characteristics, such a situation was repeated in the main Brazilian cities. Thus, industry associations, representatives of bus companies, and specialized academic literature announced a “public transport crisis.” According to this approach, the construction of a legacy of half a century of private enterprises in urban transport was threatened. Passengers were opting to use private cars to the detriment of buses and a large contingency of passengers were preferring the illegal or clandestine transport option of vans—smaller vehicles from 10 to 16 seats—which signaled a return to the chaotic and irrational past of minibuses.

The increased use of private cars led to a decline in the captive demand of public transport; contributed to increased congestion, reducing speed and productivity, which resulted in higher costs for the bus and, consequently, in higher bus fares. To complete the picture, the demand that was still dependent on public transportation was being increasingly captured by the informal transport, because of their flexible schedules, rates, and itineraries (Aragão et al. 2004).

Thus built the problem, the challenge to overcome the transport crisis was to find ways to recover and develop the private business bus sector. In this perspective, it would have its origins in the historic state protectionism for the sector which, by discouraging innovation and business efficiencies, prevented the development of a competitive environment between enterprises (Aragão and Santos 2004). The closure of the urban transport market in favor of already active companies, the

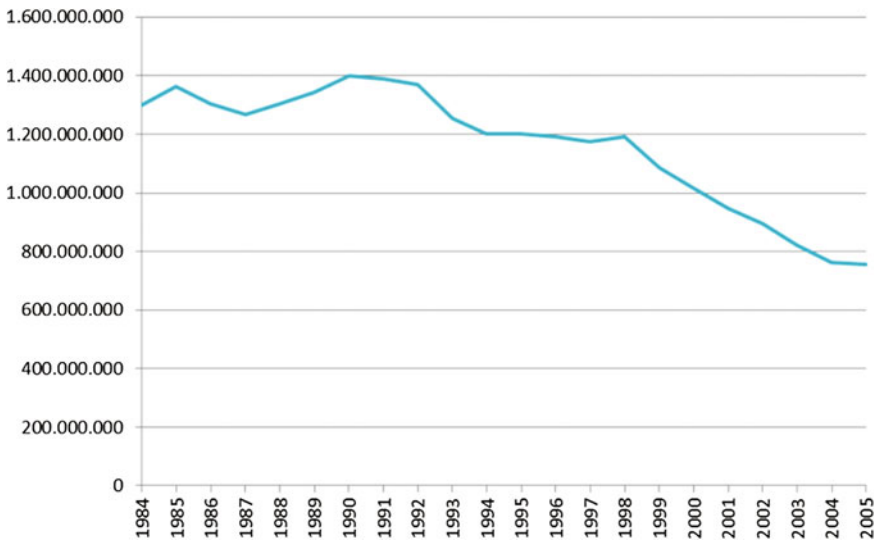


Chart 16.2 Paying passengers on buses in the city of Rio de Janeiro. *Source* Fetranspor

privileges in the granting of new lines to be explored (without competition), the permissions given without evaluation of quality and efficiency, tariff calculations that guaranteed the full cost of companies (even if inefficient), among other things, had created a comfort zone that damaged the modernization of enterprises and facilitated the emergence of the factors that shaped such a crisis.

Faced with this, the traditional organization of companies and the state regulatory framework showed themselves unable to cope with this scenario. The solutions should come from the introduction of elements of competitiveness in the sector, necessarily going through a new relationship and redefinition of powers between the government and the companies that would bring greater regulatory flexibility so that they could organize their operations according to the changing circumstances of the market (i.e., a greater capacity for planning and organization of private transport) and also search efficiency derived from the introduction of competitive internal mechanisms (Aragão et al. 2004).

The state regulation of the sector should adapt to new times. The public authority should be strengthened so that an efficient regulation could be set up. Its weakening meant business uncertainty and risk for the regulated sector, since it would open up room for illegal and/or unfair (such as vans) competitive practices. Therefore, the government should also expand its capacity to ensure the proper functioning of the market, monitoring the provision of public services and related activities. The preservation of defensive strategies, protection, and closing of the market would lead to political isolation and, therefore, could accelerate the weakening of the sector toward other operating agents. Internal competitiveness would also be a

means of stimulating external competitiveness, an important factor to forge the modern Brazilian bus company able to meet the new operators (large construction companies and pension funds that started to take control of the railway concessions in the metropolis).

The particularities of the urban transport market would justify state intervention toward a pro-streamlining regulation, since free entry of operators would be a factor of instability. International experiences (United Kingdom and Chile) had resulted in excess supply without increasing demand, increase in the average cost per passenger and, consequently, increase in bus fares. In these cases, there was also increased congestion and pollution, and loss of coordination of the transportation system. Thus, the economic inefficiency of the free market in the sector should be resolved through a pro-market regulation that stimulated competitiveness and efficiency by abolishing privileges (Gomide and Orrico Filho 2004).

From this construction of the problem, from its causes and guidelines for the solution, a consensus was built on the implementation of the mechanism of periodic competitive bidding to select the operating companies of urban transport, improving services through contracted regulation and inserting competitiveness. Thus, the competition would not take place directly on the streets—i.e., competition for passengers—but the right to operate public transport. The potential threat of other operators in future bidding (every five years, for example) would take operating companies to a constant search to improve the performance, quality, and productivity in service delivery. Concessions via bidding would be a motor for modernization of the sector and the way to overcome transport crisis, enabling the emergence of a group of national companies able to compete within and outside the country (Gomide and Orrico Filho 2000).

The perspective exposed above follows in the same direction of the transformations occurring in Brazilian capitalism from the 1990s, based on the liberalization of the economy and reaching more strongly the production of urban space from the mid-2000s. In this context, the arrival of new agents and new circuits in urban accumulation would be pressing the transformation of the city and the redefinition of the interests of coalition around the urban accumulation in different bases of the historically established patrimonialism.

We agree with authors such as Peck et al. (2012), for whom the deepening of commodification and the adoption of market logics, applied to state regulation of public services, can be understood as part of a neoliberalization process. According to this view, “(...) actually existing neoliberalization” is not a thing or an ideal situation, but variegated and path-dependent process, due to inherited regulatory landscapes, generating contextually specific forms. The incidence of neoliberalization in singular concrete spaces leads to a redefinition of arenas and political interests in which disputes will be articulated over accumulation.

16.5 The Reorganization of the Bus System in Rio de Janeiro

Inspired and influenced by the above-mentioned situation and concepts, in April 2010, the City government of Rio de Janeiro announced its intention to make a general bid of the city's bus lines. According to the official explanation, the measure was justified because:

In Rio de Janeiro, the current model operates as such for decades now. Permissions for companies operating bus lines have harmed the organization and rationalization of the system and encouraged predatory competition between the various transport modes operating in the city, to the detriment of integration (Diário Oficial do Município do Rio de Janeiro, 29 de abril de 2010, p. 62).

Therefore, in June of the same year, the Municipal Transportation Secretariat (*Secretaria Municipal de Transportes*—SMTR) launched the process of public notice through which it intended to reorganize the transport by bus in the city, normalizing the service and rationalizing lines. The notice promised a radical transformation in the city's transport structure. Thus, for the first time, the Rio de Janeiro City Council held a public bidding, and one that was open to international competition for the private concession of the whole transport system by bus. A fundamental change altered the grantor's ratio (City Hall) with bus companies, which no longer permits holders but concessionaires.⁸ Until then, with the permissions model, each company projected the lines according to its particular interests and presented the proposal to SMTR, which analyzed the operation authorization. In the concession model, the government would be provided with more regulatory instruments, with a formal contract and a comprehensive transportation planning system. The City Hall's discourse focused on the argument that the system needed to be streamlined so that everyone in the city would gain with the improving efficiency. That is, the adequacy of the bus supply to passenger demand, by abolishing competition on the streets, would reduce the cost of business and consequently the value of the fare.

The concession divided the city into four regions, called Regional Transport Networks (*Redes de Transportes Regionais*—RTRs). Each consortium should control a RTR, reinforcing the concept of putting an end to territorial competition between bus companies, ensuring a defined—and exclusive—area for the performance of each bid-winning consortium. At the end of the bidding process, the four consortiums representing 40 of the 47 bus companies already operating in the city of Rio de Janeiro were announced as eligible for the grant of service for 20 years. It was also established that the bid-winning consortia were to operate the future express bus lanes (Bus Rapid Transit—BRT).

The comprehensive concession for the bus transport system, with the relationship between City Hall and the bus companies ruled by a public contract with a

⁸Forms of delegation of public service provided for in the Brazilian Administrative Law.

fixed term, could, in principle, be considered as a break with the previous regulation model. However, the development process in practice involved a number of contradictions and complexities that must be observed for a more precise interpretation of the matter.

Five years after the concession, the structure set up through the operating consortia, and around them, indicates a strategy of dominant entrepreneurial groups in order to concentrate capital, power, and information. The relationship between the post-concession groups shows an intense internal dispute and a rapid strengthening of some entrepreneurs. We will try to support this assertion below.

Most entrepreneurs have distributed shareholding in two or more companies (only seven of them have exclusive partners). The concentration by groups indicates that the three largest groups account for 48% of passengers (Matela 2015). Evidence of irregularities in the bidding and the formation of a cartel between the bus companies already working in the city led the City Court of Auditors (*Tribunal de Contas do Município*—TCM) to conduct an investigation that identified a number of problems in the process.

However, the understanding of the mechanisms of control and concentration of private power in the sector depends on the understanding of how Fetranspor operates. In recent years, it created a number of companies to act on transportation-related business. Among them were advertising agencies for buses (MOVTV); an administrator of the 22 bus terminals (“RioTerminais”); equity stake in transport by barges and the (then) future light rail vehicle (*Veículo Leve sobre Trilhos*—VLT) that would be implemented in the central area of the city. But the key company created by Fetranspor is “RioCard.” It was created to install and operate the collection system passing through an electronic card (Bilhete Único—*Single Ticket*). The State guaranteed the control of Fetranspor and established that the administration of this system should be carried out by bus companies or an entity designated by them. With the implementation of electronic ticketing (which happened gradually from 2005), revenue from bus companies became centered on *RioCard*. Thus, the group of entrepreneurs that control Fetranspor started to manage revenues and to have exclusive access to the entire system of accounting. Legalized vans also pay an administration fee for *RioCard*.

As it occurs with the centralized control of information, and as the division of revenues collected on the bus system and its accountability are made from Fetranspor, minority groups of bus entrepreneurs ended up not having full access to apportionment criteria of funding coming from fees and other sources. Such groups lose power over their own capital and system information. Also for the government, control becomes precarious. A report by the TCM found that the accountability of consortia is not reliable and the City Hall does not have accurate information about the profitability of companies. The study itself for calculating fare adjustment is not conducted by the city, but by consultancy firms hired by Fetranspor and data provided by it. With immense difficulties of control, the government—the TCM, the councilors and the City Hall itself—hardly have access to the complete information on the sector.

In practice, Fetranspor performs the private management of the entire business involving public transport by bus in Rio de Janeiro, a key sector for life in the city and with a huge capacity of capital accumulation (gross annual revenues estimated at R\$ 2.6 billion in 2010). The famous “black box” of bus companies consists in the restriction to access for industry information and Fetranspor, in turn, is controlled by a small group of dominant entrepreneurs who run a complex privatization scheme of the bus system control and operation activities.

16.5.1 BRT as Business Modernization

An important point to note that points to bus transport business modernization is the introduction of structural corridors of the so-called Bus Rapid Transit buses (BRTs) as the main response to transport problems in the city.

BRT corridors are feeder-trunk systems consisting of lanes separated from general traffic lanes with traffic priority at intersections road. They are powered by high-capacity articulated buses, designed to meet high passenger demand with special stations that allow quick loading and unloading of passengers, and charging of fares outside of the vehicle, and are fed by the conventional bus network. Its implementation is key to the streamlining of the system. They are part of the System of Collective Transport for municipal buses, being the object of the same concession. Thus, all BRTs that will be deployed would automatically be inserted into the ruling concession. The road infrastructure of BRTs would be the responsibility of the City Hall, and the concessionaires' job would be the acquisition of vehicles and equipment necessary for their operation.

By allowing a more effective rationalization of the currently existing lines and the consequent cost reduction, this model is emerging in the city. The capture of much of the demand of the public transportation system passenger is a perspective of both City Hall and companies from the sector. According to their estimates (Table 16.1), the four planned BRTs could carry up to two million people per day, representing about 45% of public transport passengers in the city. Thus, the operation of BRTs should consist in the most important business in the public transport sector in the city of Rio de Janeiro.

According to the concession agreements, the bus transport consortia should form an operating agreement with each other for the administration of the BRTs. The form of this agreement was not stipulated by the grantor, leaving under the concessionaires' responsibility the decisions about which companies will specifically operate the system in which proportion and at which control levels. Participation and management of the BRTs are subject to criteria established internally, without interference from the City Hall. This situation strengthens the dominant groups in the bus sector that, by exercising a strong weight in the internal decisions of formal consortia, acquire great decision power in a very promising business for the few chosen companies that will manage this system of BRTs.

Table 16.1 General characteristics of the planned BRT

BRT corridor	Trajectory	Extent (in miles ^a)	Stations	Predicted to be operational by	Calculated demand (per day)	Fleet
TransOeste	From Barra da Tijuca ^b until Santa Cruz and from there to Campo Grande ^c	39.14	60	2012	220 thousand	91
TransCarioca	From Barra da Tijuca to Ilha do Governador (International Airport) through Penha ^d	24.23	48	2014	Between 400 and 570 thousand	107
TransOlimpica	From Deodoro ^e to Recreio dos Bandeirantes ^f	14.3	14	End of 2015	Between 110 and 350 thousand	60
TransBrasil	From Deodoro until Downtown, through Avenida Brasil ^g	19.88	31	Beginning of 2016	900 thousand	720

Source RioÔnibus and Planejamento Estratégico da Prefeitura do Rio de Janeiro 2013–2016

^a1 mile = approximately 1.61 km

^bBarra da Tijuca is a high-status neighborhood located classically in the close periphery of Rio de Janeiro, more specifically in the West coastal zone. Since the 1980s it has emerged as the new centrality of the metropolis

^cSanta Cruz and Campo Grande are neighborhoods of the close periphery located in the West Zone of Rio de Janeiro, but in its mainland—unlike Barra da Tijuca, situated by the sea. Due to the long length of these two, it is common to say that both have their own centers which concentrate trade and referral services to the population that resides there

^dIlha do Governador and Penha are neighborhoods of the close periphery located in the suburbs of the North Zone. Tom Jobim International Airport (Galeão) is located on Ilha do Governador

^eDeodoro is a neighborhood of the close periphery located in the West Zone, and also the terminal station of the railway line of *Central do Brasil*

^fRecreio dos Bandeirantes is a neighborhood of the coastal West Zone next to Barra da Tijuca

^gThe Avenida do Brasil is one of the main roads of the city of Rio de Janeiro. Inaugurated in 1940, it is about 94 miles long. It connects the West Zone to Downtown Rio de Janeiro

And if one takes an extended look beyond the city of Rio de Janeiro, it is possible to see that the structure of BRT corridors is a key part of a model that emerges as a strategy in metropolitan scale for the reorganization of public transport. In the main cities of the metropolitan area, different BRT corridors are being advertised as an alternative to public transport and response to urban mobility problems.

16.6 Final Considerations

The concrete unfolding of the proceedings seems to really show an overcoming of the sector crisis. After the implementation of electronic ticketing, the number of passengers stopped falling and recovery may be checked by inflexion on an upward curve since 2005. The trend increases from the concession in 2010, and 2012 numbers return to the early levels of the last decade (Chart 16.3). The main former external competitors, the vans, see their participation radically reduced in the metropolitan transport, and now are linked to the RioCard ticketing system.

With this victory outlined, the bus entrepreneurs realize the threat that emerges on the horizon and the need for modernization to maintain their position in urban coalitions that rearticulate themselves:

No one is closer to the government than the big construction companies. And today they are in all mass transport. They are our successors. We want to get there someday. We are kids compared to that group. (...) It's a new thing. They are very large groups, very well structured and professionalized. I think it's a model to be pursued. (...) We are trying not to be competitors, but partners, so that we can plan the system in a unique way. We are trying to get closer to them (Jacob Barata Filho, in an interview to *O Globo* newspaper of November 12, 2013).

Indeed, in recent years, there has been an entry of new groups into the private operation of public transport in the city. In 2009, the Metro was acquired by Invepar, the consortium formed by the OAS construction company, pension funds of Caixa Econômica Federal (FUNCEF) and Petrobras (Petros) and an investment fund of Banco do Brasil (BB). In 2011, the operation of the trains, by the company called *Supervia*, was acquired by the Odebrecht construction company as well as by foreign investment funds. In 2012, bus entrepreneurs, through Fetranspor, are associated with CCR (construction companies Andrade Gutierrez, Camargo Corrêa) for operation of the barges. In 2013, the consortium that will manage the VLT, a new modal that will do most of the transportation in the city center, was announced. The winning consortium is formed by Invepar, CCR, Odebrecht and RioPar Participações (holding company created by Fetranspor).

Therefore, we interpret the observed changes in the sector as necessary to support the modernization of bus companies, allowing the best spot in a renewed coalition of interests around the urban accumulation. But if one is to discuss about changes, it is believed that in general they are configured more as trends than breaks. The old coalitions do not fall apart, but reorganize themselves.

The concession of 2010 marks a moment of deepening the market-oriented regulation and operation of bus transport and all the activities that support its modernized operation. The business sector concentration and control go through groups that, by exerting increasing control of the flow of capital and information, tend to accumulate more power. The state seems to lose influence and capacity over the decisions. It emerges a form of regulation which gradually ceases to be based on

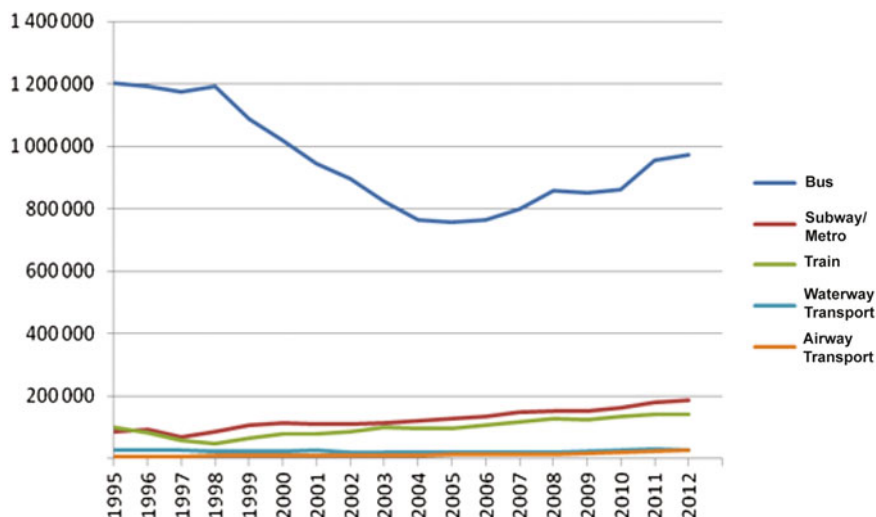


Chart 16.3 Paying passengers in public transport in the city of Rio de Janeiro. *Source* Armazém de Dados and Fetranspor (excluding the vans)

historically constituted “patrimonialism” to approach a more focused model on a market self-regulation. We argue that this process is inserted in the context of neoliberalization. On the other hand, without being a contradictory fact, the old practices of accumulation by dispossession, the privileges of a regulation based on “patrimonialism” do not disappear, but adapt.

References

- Abreu M (1987) A evolução urbana do Rio de Janeiro. IPLANRIO; Zahar, Rio de Janeiro
- Aragão J et al (2004) Sacudindo a poeira e construindo o novo ciclo de desenvolvimento do transporte público por ônibus. In: Santos E, Aragão J (eds) Transporte em tempos de reforma, Estudos sobre o transporte urbano, pp 23–47. 2 ed. EDUFRN—Editora Universitária da UFRN, Natal, RN
- Aragão J et al (2004) Transportes públicos metropolitanos no Brasil: uma pauta para sua reorganização. In: Santos E, Aragão J (eds) Transporte em tempos de reforma, Estudos sobre o transporte urbano, 2nd edn. EDUFRN—Editora Universitária da UFRN, Natal, RN, pp 157–191
- Aragão J, Santos EM (2004) Regulamentação, competição e financiamento em transportes urbanos: elementos para o debate. In: Santos E, Aragão J (eds) Transporte em tempos de reforma, Estudos sobre o transporte urbano, pp 13–22). 2 ed. EDUFRN—Editora Universitária da UFRN, Natal, RN
- Barat J (1975) Estrutura metropolitana e sistema de transportes: estudo do caso do Rio de Janeiro. Rio de Janeiro, Instituto de Planejamento Econômico e Social—IPEA/INPES
- Gomide A, Orrico Filho RD (2004) Concessões de serviços de ônibus urbanos: a necessária introdução da competitividade e o papel das licitações. In: Santos E, Aragão J (eds) Transporte

- em tempos de reforma, Estudos sobre o transporte urbano, 2nd edn. EDUFRN - Editora Universitária da UFRN, Natal, RN, pp 127–156
- Matela IP (2015) Transição regulatória no transporte por ônibus na cidade do Rio de Janeiro. 1. ed. Letra Capital, Rio de Janeiro
- Kleiman M (2001) Rede viária e estruturação intra-urbana. A priorização dos investimentos em rede viária e seu papel na configuração das cidades: o Rio de Janeiro sobre rodas. In: IX Encontro nacional da ANPUR (2001) Rio de Janeiro. Anais do IX Encontro Nacional da ANPUR. ANPUR, RIO DE JANEIRO
- Orrico R, Santos E (1999) Hegemonia privada: da capital do bonde ao ônibus no Rio de Janeiro. In: Brasileiro A, Henry E (ed) Viação ilimitada: Ônibus das Cidades Brasileiras, pp 401–428. Cultura Ed. Associados, São Paulo
- Peck J, Theodore N, Brenner N (2012) Mal-estar no pós-neoliberalismo. Novos Estudos - CEBRAP, São Paulo 92:59–78
- Pereira V (1987) Avaliação da política de transportes públicos no Rio de Janeiro: causas e conseqüências do modelo privado no transporte por ônibus. EBTU, Brasília
- Rio de Janeiro (2010) Ato de justificação da outorga de concessão da prestação de serviço público de transporte coletivo de passageiros por ônibus. Diário Oficial do Município do Rio de Janeiro, ano XXIV, n 29, Rio de Janeiro, pp 62, 29, abril