

## **Supplementary Report - Update on Outstanding Vehicle-for-Hire Directives**

**Date:** December 13, 2021

**To:** City Council

**From:** Executive Director, Municipal Licensing and Standards

**Wards:** All

### **SUMMARY**

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At its meeting on November 30, 2021, the General Government and Licensing Committee (GGLC) adopted with amendments *GL27.19 - Update on Outstanding Vehicle-for-Hire Directives*. The report outlined work completed since the 2019 Vehicle-for-Hire Bylaw review, and provided updates and next steps related to outstanding Council directives. It also provided the results of a third-party licensing fee review, and an updated Transportation Impact Study.

This report responds to three report requests made by the Committee for Municipal Licensing and Standards (MLS): to report to Council at its meeting on December 15, and 16, 2021 on potential refinements to the driver training accreditation program; to report to the January 14, 2022 meeting of GGLC on the feasibility of freezing fees for drivers who are currently not working; and to report to Council in the first quarter of 2022 with a plan for the implementation and enforcement of the updated bylaw to ensure compliance, and promotion of Vision Zero and road safety. It also responds to Committee's direction to require the vehicle-for-hire industry to submit comprehensive fare information to the City, including the surge multiplier applied to both passenger fares and driver compensation in PTC trips.

This report does not recommend further changes to the Vehicle-for-Hire Bylaw (Toronto Municipal Code, Chapter 546, Licensing of Vehicles-for-Hire), and was prepared in consultation with Legal Services and Transportation Services.

### **RECOMMENDATIONS**

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The Executive Director, Municipal Licensing and Standards recommends that:

1. City Council receive the supplementary report to *GL27.19 - Update on Outstanding Vehicle-for-Hire Directives* for information.

## FINANCIAL IMPACT

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There are no financial implications beyond what has already been approved in the current year's budget, and noted in *GL27.19 - Update on Outstanding Vehicle-for-Hire Directives*.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

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On November 30, 2021, the General Government and Licensing Committee adopted with amendments the recommendations in the report *GL27.19 - Update on Outstanding Vehicle-for-Hire Directives* (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.GL27.19>) and directed the Executive Director, Municipal Licensing and Standards to report to Council at its meeting on December 15, and 16, 2021 on potential refinements to the driver training accreditation program, to report to the January 14, 2022 meeting of GGLC on the feasibility of freezing fees for drivers who are currently not working, and to report to Council in the first quarter of 2022 with a plan for the implementation and enforcement of the updated bylaw to ensure compliance, and promotion of Vision Zero and road safety.

## COMMENTS

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This report responds to directives from the November 30, 2021 General Government and Licensing Committee meeting and includes a discussion of research, consultations and proposed changes recommended in *GL27.19 - Update on Outstanding Vehicle-for-Hire Directives*.

### **Driver Training Accreditation Program**

*Committee Directive: Requested the Executive Director, Municipal Licensing and Standards to report to the meeting of City Council on December 15 and 16, 2021 with recommendations on potential refinements to the new driver training program in regards to: (a) requiring that all vehicle-for-hire and private transportation company driver training be provided through existing, accredited, public institutions and include in-car examinations; (b) providing acknowledgement and a training credit for drivers previously trained by the City's training program; (c) providing drivers who are currently licensed to operate but who have not received training top priority for the new training program; and (d) including education on sexual assault and harassment prevention.*

The City is currently working to advance the introduction of a mandatory driver training accreditation program for all vehicle-for-hire and PTC drivers. The requirement for a new driver training program was enacted by Council on January 1, 2020. As noted in the staff report for GL27.19, staff originally issued a call for third-party training providers in February 2020, but canceled it in March 2020 as a result of the COVID-19 pandemic. On November 9, 2021, staff re-launched an updated call for third-party providers, which closed on December 10, 2021. Staff are in the process of reviewing 11 submissions with the expert panel, and will accredit third-party training providers in January 2022.

As outlined in *GL6.31 - Review of the City of Toronto Municipal Code Chapter 546, Licensing of Vehicles-for-Hire*, the Council-adopted training program was developed based on significant research and analysis, including public opinion research, jurisdictional scans, and consultations with other comparable jurisdictions. In the public opinion research conducted, there was significant support (two-thirds of respondents) for drivers to receive training; particularly for city navigation, pick-up and drop-off safety, customer service and distracted driving. In the jurisdictional scan, training was found to be mandated for all vehicle-for-hire drivers in several American jurisdictions such as Chicago, New York City, Portland, and Seattle and one major Canadian city, Montreal. These training programs include guidelines on transporting passengers in a safe manner, driving in urban settings, providing service to accessible users, anti-racism and diversity sensitivity training, and compliance with legal requirements. The final mandatory training components were developed based on this research and analysis, and staff continue to support them.

Staff do not recommend changes to the new driver training program at this time. Rather, staff recommend that the training program enacted by Council on January 1, 2020 be implemented prior to further changes. If changes are adopted by Council, staff will cancel the current call, and subsequently launch a third call, as the applicant programs would no longer meet Council-adopted criteria. This will cause further delays to implementation, and extend the current pause on the issuance of new licences.

Based on staff's experience in designing and implementing calls for third-party providers, vendors require several months for each stage of the implementation process. This includes the development of the large-scale training program, the review of quality assurance measures, and time for over 54,000 drivers to complete the training program. Under current timelines, it is anticipated that all drivers in the vehicle-for-hire industry will be trained by the end of 2022. If Council changes the training criteria, and a new call must be issued, it is likely that drivers will not be trained until 2023.

Any further delays to implementation will also further extend Council's pause on the issuance of new licences. There are a number of unintended effects on pausing the issuance of new licences as noted in the staff report for GL27.19.

In addition to further delaying the implementation of the training program, and extending the pause on the issuance of licences, staff are concerned that third-party providers may be discouraged from applying again if a third call is posted. Staff believe a variety of providers are required to ensure a competitive market, and to efficiently train over 54,000 drivers. However, if the City is perceived to be routinely changing the criteria and/or delivery model of the training program, applicants may be concerned with the stability of their business.

For the above noted reasons, staff do not support any changes to the training criteria. However, to fully respond to Committee's request, additional information is noted below.

*(a) Should training be provided through existing, accredited, public institutions and include in-car examination?*

Staff do not recommend restricting training through existing, accredited public institutions. The training program was developed to create flexibility in the delivery of training, and to enable the industry to participate in the training of their own members. This is based on best practices observed in other jurisdictions, whereby third-parties or industry members deliver an approved program based on City mandated components. Changing the requirements of this program would likely require amendments to the Vehicle-for-Hire Bylaw to restrict eligibility requirements.

Furthermore, at the moment, there is only one public college that has applied to have its driver training course accredited. Restricting the delivery of training programs to this college would effectively create a monopoly, and likely result in much longer wait-times for drivers to complete their training.

There is also no evidence to suggest that public institutions are more qualified or experienced to provide vehicle-for-hire training. For example, beginner driving courses, which support students through the Ontario graduated licensing system, are offered by a number of private driving schools who are approved by the Ontario Ministry of Transportation (MTO). A mix of training providers is required to ensure a competitive market with lower fees for drivers, to allow flexibility in terms of training methods and delivery, and to enable over 54,000 drivers to complete their training in an efficient and timely manner.

In addition, staff do not recommend mandating how vehicle-for-hire training is delivered (that is, in-class, online, etc.), including in-car examinations. In the current Council-adopted training program, the mode of delivery is not prescribed and may be determined by the City-approved training provider. In the current call, applicants offer a range of training methods, including in-class only, online only, an in-car component, or a combination of more than one delivery method. This approach is consistent with other comparable jurisdictions, such as New York City and Seattle, which use state or federally approved courses. In both cases, in-car, in-class, or online options are permitted and industry members may determine which training is best suited for their needs. Allowing training providers to determine how best to deliver training is also crucial during the COVID-19 pandemic, as public health measures such as physical distancing continue. For example, as a result of the pandemic, beginner driver courses

offered by MTO-approved driving schools, have also become available digitally (that is, online self-learning, or virtual classrooms).

*(b) Should drivers previously trained by the City's training program be granted a training credit, and exempted from the new training program?*

Staff do not recommend exempting previously trained drivers from the new training program, as it has been several years since the City mandated training (that is, since 2016), and the training program includes new and updated topics. For example, the previous training program focused on outdated navigation tools, whereas many drivers in the taxicab, limousine and PTC industries currently use GPS-enabled technology. The new training program specifically addresses distracted driving due to technology, including information on new fines and penalties introduced by the provincial government in 2018. In addition, the new training program addresses the changing Toronto transportation network, such as the introduction of transit corridors (that is, King Street as of 2019), and a growing network of cycle tracks and bike lanes. As well, there have been a number of developments in education related to discrimination, diversity and inclusion, and disability awareness. Lastly, there is a small subset of drivers that would qualify for this exemption. Of the taxicab and limousine drivers that were licensed in 2016, only seven percent have a licence in 2021. While there are higher retention rates among taxicab and limousine owners (versus drivers), they are not required to undertake training.

*(c) Should drivers who are currently licensed, but who have not received training, be provided first priority when the driver training accreditation program is implemented?*

Staff do not recommend prioritizing currently licensed drivers, as there is no public policy rationale to support this proposal. It would not enhance public safety or consumer protection. Rather, it would further advantage current licensees by increasing their demand for service, and by further delaying the entry of new applicants. It would also create a significant administrative burden on the City. To implement such a proposal, staff would need to continually review a list of applicants and confirm or deny if a third-party provider should prioritize the timing of the applicant's training.

It is anticipated that the licensing of new applicants will resume once the City has accredited training providers, and applicants are able to complete an accredited driver training course, as well as meet all other licensing requirements, as part of their applications. MLS will continue to accept renewal applications for existing licensees during this time period. After training programs are in place and available, MLS will establish a reasonable date by which applicants for renewal must also demonstrate they have completed a course.

*(d) Should the training program include education on sexual assault and harassment prevention?*

The Council-adopted training program includes a section on types of harassment under the Ontario Human Rights Code, including sexual harassment. This is an essential part of the existing program, and training participants will be expected to understand different examples of what harassment may include, professional obligations around serving customers without harassment or discrimination, and describe conflict management techniques when addressing unwelcome behaviours.

## **Feasibility of Freezing Fees**

*Committee Directive: Review the feasibility of freezing fees for drivers currently not working due to the drop in ridership demand caused by the pandemic and report recommendations to the January 14, 2022 meeting of the General Government and Licensing Committee.*

Staff do not believe it is feasible to freeze fees for drivers who are currently not working. As per the City of Toronto Act, 2006, business licensing fees are based on a cost recovery model. This means that the fees recover the full cost of those services (direct, indirect and cost of capital).

On February 18, 2021, Council reduced the licensing renewal fees for the taxicab and limousine industries by 50 percent, until further Council direction. They are the only business licensing categories that have received a reduction by Council as a result of the pandemic. In addition to lowering the licensing renewal fees for the taxicab and limousine industries, Council has also:

- Temporarily extended the maximum age of vehicles being used as taxicab and sedan limousines by two additional years;
- Reinstated any expired or cancelled vehicle-for-hire licences for the non-payment of renewal fees in 2020; and
- Suspended the cancellation of vehicle-for-hire licences for non-payment of renewal fees in 2021.

As a result of the reduction by Council, vehicle-for-hire drivers now pay \$66.30. In contrast, PTC drivers, who did not receive a 50 percent reduction, pay an average of \$435.66 on an annual basis. This is based on the \$15.30 flat fee plus \$0.31 per trip fee (where the average PTC driver completes 113 trips per month).

If Council maintains a reduction for the taxicab industry, by not returning taxicab and limousine licensing renewal fees to cost-recovery levels, it is strongly advised that the reduction also be extended to the PTC industry to avoid the characterization that the City is cross-subsidizing fees across different licensing categories, especially within the same general industry. Currently, vehicle-for-hire (taxicab and limousine) licensing accounts for 60 percent of the costs from the Licensing and Permits business unit, but only represents approximately 28 percent of business licensing and permit issuances. More information is noted in the staff report for GL27.19, under the section "Licensing Fees" (starting on page 15).

It should also be noted that, on a practical level, it would be challenging to implement any such direction by Council, as majority of the taxicab and limousine industries do not currently remit trip data to the City. Therefore, staff do not know who is, and who is not working.

## **Vision Zero and Road Safety**

*Committee Directive: Direct the Executive Director, Municipal Licensing and Standards to report back to Council in the First Quarter of 2022 with a plan for implementation and enforcement of the updated by-law to ensure compliance and the promotion of Vision Zero and road safety.*

Vision Zero is based on the belief that fatalities and serious injuries on our roads are preventable, and we must strive to reduce traffic-related deaths and injuries to zero. To align to these principles, and to enhance road safety, Council introduced the following public safety measures in 2019:

- Require drivers to attach "Watch for Bike" notices to vehicles, and additionally, PTCs to send push notifications reminding passengers to look for cyclists before exiting a vehicle;
- Increase the minimum years of required driving experience for all drivers from one year to three years;
- Require drivers to securely mount all handheld devices to their vehicle; and
- Require taxicab brokers, limousine service companies, and PTCs to remit collision data to the City.

These measures, and all additional safety measures, are noted in Attachment 3 of the staff report for GL27.19. Based on updated research since 2019, no additional requirements are recommended. The current public safety measures are best practices, and balance the need to enhance public safety without being overly prescriptive or burdensome.

In consultation with bylaw enforcement officers, the vehicle-for-hire industry is largely in compliance with all public safety measures in the Vehicle-for-Hire Bylaw. Upon the introduction of the new public safety measures, all industry members were notified of the changes. However, to further support compliance efforts, an education/enforcement blitz is underway during the month of December 2021 to remind all industry members of bylaw requirements, such as the requirement for winter tires, PTC identifiers, etc. Enforcement blitzes are planned on an ongoing basis and respond to seasonal issues and/or an increased number of complaints.

With respect to road safety, it is important to note that the Ontario Highway Traffic Act, 1990 (HTA) is enforced by Toronto Police Services. MLS and Transportation Services Bylaw Officers do not have the authority to investigate a driver, pull over a moving vehicle or enforce the HTA.

Moving forward, staff hope to analyze vehicle-for-hire collision records and identify possible policy solutions to reduce the prevalence of collisions. This will be explored as part of a future report back by Transportation Services. However, while all active PTCs have provided collision records for 2020, no records have been received from limousine services, and only one taxicab broker has provided records. The Ontario Ministry of Transportation has also not implemented requested changes to the collision reporting incident form to add taxicab, limousine and PTC vehicles as vehicle types on the form.

In order to understand the types of collision and resulting injuries, staff attempted to match records provided by the vehicle-for-hire industry to collision records provided by the Toronto Police Services and Collision Reporting Centres. Attempting to match records did not provide any useful insights and further details requested of companies and brokerages have highlighted different thresholds of reporting amongst them. Further work is required to link vehicle-for-hire collision records to records from Police sources to determine the extent of injuries and collision types, and better data is required to be able to provide policy recommendations on safety.



## **Fares**

*Committee Directive: Direct the Executive Director, Municipal Licensing and Standards to require all Vehicle-for-Hire companies to submit comprehensive fare information to the city, including rate per ride and distance travelled, and the surge multiplier applied to both passenger fares and driver compensation.*

The Vehicle-for-Hire Bylaw currently requires limousine service companies and PTCs to submit fare information to the City. Currently, only active PTCs comply with this requirement; however, there is a two month time lag due to administrative and technological delays. Therefore, staff cannot currently examine, in real-time, how fares change as a result of policy changes. The bylaw does not currently require taxicab brokers to maintain fare information; although taxicabs affiliated with brokers are permitted to charge rates higher (i.e. surcharge) or lower than the prescribed tariffs. As such, Council may wish to align the requirements for taxicab brokers with limousine service companies and PTCs, whereby it is required to remit comprehensive fare information to the City.

## **CONTACT**

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## **SIGNATURE**

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