



Canadian Union of Public Employees

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Toronto Community Housing Corporation

SERVING OUR MEMBERS SINCE 1942

April 14, 2016

LS10.3.22

Councillor Cesar Palacio, Chair
And Members of the Licensing and Standards Committee
10th Floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Councillor Palacio and Committee Members,

RE: LS10.3 A New Vehicle-for-Hire Bylaw to Regulate Toronto’s Ground Transportation Industry

The proposed Vehicle-for-Hire Bylaw creates a two-tiered system that lowers standards across the industry rather than raise standards for current unregulated participants to meet City goals of consumer protection, public safety and economic and environmental health.

Regulations were put in place for a reason. If change needs to be made to improve public safety, provide service options and allow drivers to compete more equitably, then make them. The City should use this review as an opportunity to regulate the industry in the public interest and not move in the direction of a self-regulating and self-training industry that supports a market interest. Mayor Tory claims he wants to “put the interests of residents first” and “protect drivers”, but trying to manage the ground transportation sharing economy by letting the market run itself is not the answer. Market forces alone are not in the best interest of the public.

Protecting the Public Interest

Many of the proposed changes in the new bylaw reduce public safety and consumer protection.

Eliminating the requirement for City-run vehicle inspections puts drivers, passengers and pedestrians at risk. These inspections were introduced for taxicabs in 1998 due to the poor condition of vehicles on the road. Uber vehicles are not required to have City inspections. The City is proposing to further reduce safety standards by reviewing options for an alternative inspection for taxis (who currently require City inspections twice a year). Removing the requirement for snow tires also reduces safety on city roads.

Eliminating mandatory training, including accessibility training and CPR for new licenses, significantly lowers current industry standards. Training is not only good for the public as it improves customer safety and service; it is also good for drivers. Taxi drivers include newcomers to Toronto and Canada who can benefit from topics covered such as City geography.

Third party criminal and driver checks for Uber Drivers rely on private companies to ensure minimum standards are being met. In a competitive market where Uber’s primary focus has been to continue operations at all costs, whether they are legally entitled to or not, the public, and especially vulnerable members of the population, have no guarantee drivers have passed the appropriate screening.

Passenger Fares and Driver Livelihood

Surge pricing that allows Uber Drivers to set their own rates when demand is high poses a serious threat to consumer protection and leads to price gouging. Passengers will have to pay whatever the driver demands if they are stranded or desperate for the ride. Taxi drivers cannot adjust rates. This means lower earning potential when they already pay higher licensing fees than Uber drivers. This disparate fee structure has the opposite effect of increasing competitiveness and, in fact, puts taxi drivers at a disadvantage to their less-regulated competitors. Moreover, there will continue to be a cap on the number of City issued Taxi Licenses but not on the number of vehicles that can sign up under Uber services. The City is also putting a freeze on the Taxi Driver Wait List.

Contrary to City Staff's argument that deregulation is the way to create more equitable conditions for participation, proposed bylaw increases regulatory barriers for taxi drivers as regulations are not applied equitably to all participants. The regulated taxi industry supports 25,000 individuals and families and protections for maintaining a living wage and good jobs are essential to the livelihood of taxi drivers. It is not in the public interest to exacerbate rising income inequality by succumbing to market pressure to reduce the income of taxi drivers.

Upholding Accountability

City Staff and Council are responsible for the economic and environmental health of the City. With no restriction to the number of vehicles on the road there will be more congestion, which costs the GTA billions yearly.

More vehicles on the road also mean greater challenges for City enforcement staff as bylaw infractions and customer complaints increase. Contributing to this challenge are reduced requirements for reporting and regulation of Uber drivers and companies. The City has not proposed any regular reporting structure, rather, companies will only submit information on drivers, licenses, and criminal checks – normally acquired and retained by the City – as requested. There needs to be further discussion on a regular and timely reporting structure that will equip enforcement staff to maintain accountability and protection of the public.

The City has undermined its ability to provide oversight of an industry in which unregulated participants have been allowed to erode what protections exist. Instead of regulating for the current conditions, Mayor Tory has chosen to deregulate the industry which, in effect, washes its hands of the "Uber problem". With no mandatory or minimum training requirements, reduced safety standards, and de-regulated fares and licensing, the City is relying on the industry to self-regulate when it has already shown a preference to operate outside regulation – and increase its market share in doing so. If a problem exists in regulation, let's fix the problem, not move away from regulation. And in doing so, we can continue to protect the public interest.

Yours truly,



Tim Maguire
President