



To: Toronto City Council
From: RideFair Toronto
Subject: **GL27.19 – Update on Outstanding Vehicle-for-Hire Directives**
Date: December 14, 2021

The committee recommendations in for GL 27.19 provide a framework to establish a more efficient, sustainable vehicle-for-hire sector, accelerate efforts to reduce emissions and shift to electric vehicles, implement effective training to keep drivers and passengers safe, and provide transparency and oversight to the industry. We applaud the committee members for their leadership on this issue and urge City Council to be similarly committed to bringing balance and sustainability to our mobility systems.

The committee heard from independent experts in environmental sustainability, mobility, driver training, taxi market analysis, and economics, all of whom argued in support of the recommendations. Committee members also heard from lobbyists and organizations paid for by Uber. As a multi-billion-dollar global tech firm, Uber can afford to buy lots of support; community stakeholders cannot. Fortunately, we have data and analysis to support the recommendations. This letter provides a high-level summary, and we would be happy to provide any more information you require.

Toronto does not have a wait time problem; or, your Uber does not need to be faster than your ambulance

Toronto in 2016 decided, with many other cities, to give platform-based transportation providers enormous latitude in figuring out how to run portion of Toronto’s vehicle-for-hire sector. It should come as no surprise that the resulting system “solves” for minimal customer wait times, as this metric is good for platforms’ business model. Along with heavily subsidized pricingⁱ, low wait times allowed them to not only gain rapid market share but also expand the market itself, drawing passengers off of the TTC in particular and back into cars.ⁱⁱ

Recently, Uber (and organizations they fund) have raised the alarm that wait times for ride-hailing vehicles have doubled from just under three minutes to just under six, on average, during the pandemic. This statistic is misleading and requires context:

- A 2.3-minute wait time is a historic low for Toronto and therefore not an appropriate benchmark. Average wait times for ride-hailing vehicles were 6 minutes in 2016, 4.5 minutes in 2017 and ranged between 2.8-4 minutes in late September 2018.ⁱⁱⁱ
- Ambulance service standards in Toronto call for a six-minute service standard for sudden cardiac arrest.^{iv}
- During the pandemic, when average wait times ranged from 3-5.8 minutes, ride-hailing drivers typically waited five minutes for customers to arrive!^v .
- More problematic is the fact that customers requesting wheelchair accessible rides were waiting as much as 15 minutes, while WheelTrans passengers report wait times in excess of half an hour.

A single-minded focus on wait times makes ride-hailing less efficient

A system prioritizing minimal wait times is affordable because – and only because – platforms are currently only paying their drivers for time spent picking up and dropping off customers. It is free to the platform to have extra drivers circulating around waiting for ride requests and causing significant congestion.

By other measures, it is the least sustainable and most inefficient way to deliver vehicle-for-hire services. New York, for example, also considers how long drivers are sitting idle or driving without passengers (driver utilization); whether vehicle miles traveled are minimized, and impacts on congestion, emissions and other modes of transportation.^{vi} To ensure ride-hailing is operating in the public interest, this report recommends that Toronto do the same.

Toronto ride-hailing vehicles are significantly under-utilized

During the pandemic, ride-hailing drivers reported [struggling to find enough rides](#) to cover expenses, let alone make money. The current staff report also paints a picture of an oversaturated market.

For decades, Toronto was served by approximately one taxi driver per 500 residents – [a ratio put in place](#) to ensure appropriate service levels as well as reasonable driver incomes. Beginning in 2016, ride-hailing companies were able to add unlimited numbers of drivers to Toronto’s streets, so that by November 2019, Toronto had an additional 15 licensed ride-hailing drivers for every 500 Torontonians (1 per 30 residents!).^{vii} At that time, by contrast, New York City (which remains heavily dependent on taxis and ride-hailing services) – had only about 1 ride-hailing drivers per 100 residents.^{viii}

However, New York City’s ride-hailing drivers completed 3.6 times the number of daily trips of Toronto’s ride-hailing drivers,^{ix} suggesting that even pre-pandemic, Toronto’s drivers were significantly under-utilized – and under-employed.

The current system takes advantage of unpaid work by thousands of drivers.

The recent staff report reveals that, on average, Toronto’s ride-hailing drivers spend 52% of their working time without passengers.^x Forty percent of that time is spent waiting between service calls. In Ontario, Uber and Lyft do not pay drivers anything for this time.

It is free for ride-hailing platforms to have extra drivers circulating around waiting for ride requests. But the same system costs drivers a 40% pay cut. (Around the world, governments (including the Netherlands, France, the United Kingdom) are ruling that platform-based drivers are employees and should be subject to hourly wage minimums and other employment protections for 100% of time worked)

This business model has implications for efforts to combat climate change and congestion:

- A ride-hailing trip imposes 30-40% greater social costs than the same trip made in a personal vehicle (costing on average \$0.35 more per trip), according to an October 2021 study^{xi};
- Ride-hailing trips were 69% more polluting than the trips they replaced according to a 2020 study;^{xii}
- Toronto staff found that nearly half of ride-hailing passengers would have taken the TTC, but only 5% would have driven a personal vehicle.^{xiii}

Over-saturating vehicle-for-hire markets is the least sustainable way to improve service levels

Recently, organizations that have taken money from Uber have called on the city to end its temporary pause on issuing new Vehicle-for-Hire licences until mandatory driver training is put in place. These organizations assert the pause in licensing will lead to a rise in wait times for customers, with drastic consequences. This connection is dubious and unsubstantiated, and should be used neither to guide policy nor to overturn a measure put in place to protect public safety.

The temporary pause in licensing does not affect the roughly 47,000 currently licensed ride-hailing drivers. Most directly, service levels could be increased with the existing complement of licensed drivers if 1) more licensed drivers chose to drive; 2) active drivers completed more daily trips.

If the existing pool of drivers were to be used more efficiently, in turn, we would need fewer private cars deployed on our roads, and they could spend proportionally less time circulating empty – a fact that has consequences for our efforts to reduce emissions and congestion. To achieve these ends, platform employers may need to address driver concerns about their safety and/or compensation.

During the pandemic, over-saturation worsened

During the pandemic, available business became even more scarce for Toronto drivers. Staff report that **the number of daily trips** initially fell to 15% of their original levels and have fluctuated, with a high of 45%, more recently reaching 40% of pre-pandemic levels. However, the **numbers of drivers** initially fell to 33% of pre-pandemic levels, and have recovered to 52% of their pre-pandemic levels.^{xiv} These numbers confirm depositions made by drivers to the November 30th General Government and Licensing Committee. Adding to the number of drivers chasing this dwindling business would arguably only worsen outcomes both for new entrants and existing drivers – particularly as new COVID 19 cases continue to climb.

At this Council meeting you will be committing the city to get to net zero greenhouse gas emissions by 200. The TransformTO report contains visionary and vital measures to change how we provide mobility. You will be voting on whether to lead a shift to walking, cycling, and transit as dominant modes of transportation. How we manage the vehicle-for-hire sector is a critical piece of this strategy. It is also urgent, since decisions you make about post-pandemic mobility will have lasting impact. By adopting the committee recommendations, you will make sure that vehicles, energy, and road space are used safely and efficiently and signal that Toronto is serious about solving climate change.

Please let us know if you have any questions or require more information. We strongly urge you to adopt the committee recommendations without amendment.

Sincerely,

JJ Fueser, Thorben Wieditz and Brendan Agnew-Iler

RideFair Toronto

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- ⁱ <https://www.latimes.com/business/technology/la-fi-tn-uber-ipo-lyft-fare-increase-20190511-story.html>
- ⁱⁱ https://www.toronto.ca/wp-content/uploads/2019/06/96c7-Report_v1.0_2019-06-21.pdf
- ⁱⁱⁱ https://www.toronto.ca/wp-content/uploads/2019/06/96c7-Report_v1.0_2019-06-21.pdf
- ^{iv} https://www.health.gov.on.ca/en/pro/programs/emergency_health/land/responsetime.aspx
- ^v <https://www.toronto.ca/wp-content/uploads/2021/11/98cd-VFHTransportationImpacts2021-11-23.pdf>, p. 17
- ^{vi} https://www1.nyc.gov/assets/tlc/downloads/pdf/press_releases/press_release_09_18_2020.pdf
- ^{vii} <http://www.toronto.ca/legdocs/mmis/2021/gl/bgrd/backgroundfile-173388.pdf>, p. 8, a pre-pandemic average of 90,000 licensed drivers per 2.96 million residents, or 3.04 per 100
- ^{viii} See <https://toddschneider.com/dashboards/nyc-taxi-ridehailing-uber-lyft-data/>, “Unique drivers per month, ride-hailing apps, November 2019,” 83,017 drivers per 8.3 million people, or 1 per 100.
- ^{ix} *Op cit.*, New York’s 721,000 average daily trips in November 2019 versus Toronto’s 199,000 average daily trips, for similar numbers of unique drivers.
- ^x <http://www.toronto.ca/legdocs/mmis/2021/gl/bgrd/backgroundfile-173388.pdf>, p. 28, 40% of the time cruising and 12% en route to a pick up.
- ^{xi} <https://pubs.acs.org/doi/full/10.1021/acs.est.1c01641>
- ^{xii} <https://www.ucsusa.org/resources/ride-hailing-climate-risks>
- ^{xiii} 2019 staff report
- ^{xiv} <http://www.toronto.ca/legdocs/mmis/2021/gl/bgrd/backgroundfile-173388.pdf>, p. 27