



Economic and Community Development Committee
City of Toronto

September 19, 2023

Re: EC6.6 - Transitioning the Vehicle-for-Hire Industry to Net Zero Emissions by 2030

Dear Economic Development Committee,

The Rideshare Drivers Association of Ontario stands in support of initiatives aimed at reducing carbon emissions and addressing the pressing issue of climate change. We recognize the need to play our part in global climate change efforts. However, we wish to express our concerns regarding the proposed 2030 Mandate for Mandatory Electric Vehicle (EV) Conversion of the Ride-Share Fleet by the Toronto Council.

It is our belief that implementing such a mandate at this stage is premature and could have adverse consequences for ride-share drivers, many of whom are striving to provide for their families while contributing to environmental sustainability. Allow us to outline our concerns and suggestions:

1. The Economic Reality for Ride-Share Drivers:

Full-time ride-share app drivers often log extensive hours, up to 80+ hours per week, to earn a living. They rely on their vehicles to drive 1,500 to 2,000 km per week, aiming for gross earnings of \$1,700 to \$2,100 per week, including HST.

2. Vehicle Lifecycle and Depreciation:

Given the high mileage and usage patterns, a ride-share vehicle's life cycle is approximately 4 years, with an annual depreciation rate of 25%.

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3. Financial Challenges for Drivers:

Ride-share drivers, particularly those with major investments in their vehicles, already operate within a financial landscape that poses considerable risk compared to potential rewards.

AVG Cost of a new EV in Canada per the Canadian Automobile Association (source: https://www.cbc.ca/news/canada/windsor/if-you-can-afford-an-ev-financial-benefits-1.6769437)	\$83,510.00
AVG Cost of a new Car in Canada per the Canadian Automobile Association (source: https://www.cbc.ca/news/canada/windsor/if-you-can-afford-an-ev-financial-benefits-1.6769437)	\$58,895.00
Investment differential Per Driver to convert to EV	\$24,615.00
Current Toronto PTC Ride Share Fleet Investment Cost	3.5 Billion \$\$
Estimated Toronto PTC Ride Share EV Fleet Investment Cost	5 Billion \$\$
Ride Share Fleet Size PTC - Toronto as of June 2023 = 59,400 (*approximately 60,000*) Conversion Investment Cost 1.5 Billion	1.5 Billion \$\$
Toronto Pass-Thru Ride-Hail Shared Subsidy	10 Million \$\$
% Subsidy vs Investment	0.7 percent
GTA Infrastructure Cost to support Accessible Ride-Share On-The-Go Quick Charging Stations	?????????
Pay-Per-Use fees for RideShare Quick Charging	?????????
Driver Financing Fees for EV Conversion	?????????

4. False Earning Expectations:

Many drivers are drawn to ride-share platforms with promises of "working for themselves" and "being their own boss." Unfortunately, the reality is often far from the marketing narratives, resulting in earnings that fall below minimum wage levels.¹

5. The Need for a Comprehensive Plan:

We believe that a transition to a carbon-free future is essential, but it must be approached cautiously and thoughtfully. A well-considered, comprehensive plan should be developed, considering the input of all stakeholders.

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¹¹ <https://www.theglobeandmail.com/business/article-uber-drivers-pay-toronto/>





6. Proposal for an Industry-Wide Committee:

We respectfully urge the Committee to consider shelving the proposed bylaw and, instead, establish an Industry-Wide committee. This committee could bring together representatives from various stakeholder groups to collaboratively create a feasible proposal for the future of ride-share in a carbon-conscious world.

In summary, while we share the goal of environmental sustainability, we believe that the proposed mandate lacks the necessary nuance and consideration of the economic realities faced by ride-share drivers. Premature implementation of such a mandate could lead to unintended financial hardships for an already economically vulnerable demographic.

We kindly request your understanding of our concerns and urge you to take our suggestions into account as you deliberate on this matter. We believe that through open dialogue and collaborative planning, we can work towards a sustainable and equitable future for the ride-share industry.

Sincerely,

George Wedge
President

Earla Phillips
Vice President

