

February 29, 2024

RE: EX12.1 - Vehicle-for-Hire and Private Transportation Industries Update Request

Dear Mayor Chow and Executive Committee members,

TTCriders is a membership-based organization of transit users. Today, you will evaluate a significant potential source of revenue for our transit system through a commercial parking levy, a tool used by many other jurisdictions. We urge you to support this measure.

At the same time, as you work to update your Vehicle-for-Hire policy, we urge you to ensure that protecting transit ridership and prioritizing sustainable transportation remain key goals. It makes no sense to raise revenues in support of transit through one policy while losing fare-based revenue through another.

In city after city, the unchecked growth of ride-hailing has eaten into transit ridership and impacted transit funding. A 2022 multi-city study in the US concluded that pre-pandemic, “Ride-hailing [was] the biggest contributor to transit ridership decline,”¹ particularly impacting ridership on surface routes and light rail in smaller communities. In Toronto, we know that:

- Ride-hailing replaced transit trips more than any other mode of transportation (49% of all ride-hailing trips, and 58% of commuting trips) according to a 2019 city staff report; only 5% of trips replaced private car travel;²
- Nearly one-third of ride-hailing trips in Toronto compete directly with public transit, according to a recent University of Toronto study;³
- The number of daily Vehicle-for-Hire (taxi and ride-hailing) trips increased by about 180% since 2013, while Toronto’s population increased only by about 11%.⁴

Our road space is limited. As our cities densify and intensify (as they must), we must prioritize affordable and reliable mass public transit. Vehicles for hire are an important ancillary mode of transportation, but can never replace public transit.

Ride-hailing services can *complement* transit service, but this outcome cannot be accomplished by continuing to allow ride-hailing platforms to drive licensing and policy, or expand without

¹ <https://www.sciencedirect.com/science/article/pii/S0965856422000945>

² <https://www.toronto.ca/legdocs/mmis/2023/ec/bgrd/backgroundfile-239124.pdf>

³

https://www.academia.edu/49373922/Measuring_when_Uber_behaves_as_a_substitute_or_complement_to_transit_An_examination_of_travel_time_differences_in_Toronto

⁴ 2013: <https://www.toronto.ca/legdocs/mmis/2014/ls/bgrd/backgroundfile-66167.pdf>; 2023: <https://www.toronto.ca/legdocs/mmis/2023/ec/bgrd/backgroundfile-239119.pdf>; <https://www.toronto.ca/legdocs/mmis/2023/ec/bgrd/backgroundfile-239124.pdf>



restriction. After all, revenues for ride-hailing platforms are directly proportional to trip growth; there is a direct financial incentive for platforms to replace public transit trips. For all its talk about first and last mile services, we should also be aware that Uber's pre-IPO prospective explicitly identifies public transit services as a major source of market share.

Toronto's municipal government – not a ride-hailing platform – is in the best position to protect and expand public transit ridership. Toronto's transit system, as we all know, is overly reliant on fares, so any decreases in ridership have immediate detrimental impacts. In 2021, RideFair used available public data to estimate that the TTC was losing as much as \$79 million in fare revenue annually pre-pandemic to ride-hailing mode-shifts. We have yet to see a strategy to address these impacts.

TransformTO calls for a large-scale shift to sustainable modes of transportation, like public transit, over the coming years. Toronto's 2024 City Budget makes investments in restoring TTC service levels. Now City Council must ensure Vehicle-for-Hire policies, starting but not ending with City oversight over licensing and fleet numbers, amplifies rather than undermines these efforts to restore service and ridership.

Sincerely,

Shelagh Pizey-Allen

TTCriders