

## SUBMISSION

TO: City of Toronto Executive Committee

FROM: Uber Canada

SUBJECT: EX19.3: Analysis of Driver Wages in the Vehicle-for-Hire Industry  
EX19.4: 2024 Review of the Vehicle-for-Hire By-Law and Industry

DATE: December 9, 2024

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Uber Canada's submission expands on 2 arguments made in the Staff reports themselves:

- **A PTC driver supply cap is bad public policy**
- **Ridesharing plays a critical role in the City of Toronto**

Uber Canada urges Executive Committee to reject Recommendations #1 and #2 in EX19.4.

### **Executive Summary**

City Staff's own reports admit that a driver supply cap is bad policy:

- **A cap is not supported by a majority of Torontonians:** 64% of riders either do not support a limit or do not have an opinion.<sup>1</sup> The top concerns about a licensing limit were increased prices (47%), increased wait times (45%), and too few drivers to provide transportation services (41%).<sup>2</sup> When asked whether a cap would “positively impact the way I travel around the City”, one-third of users strongly disagreed, and another 11% disagreed.<sup>3</sup>
- **A cap has no material impact on congestion:** “[I]t remains unclear whether limits would notably reduce congestion.”<sup>4</sup>
- **A cap blocks equity-deserving populations from income opportunity:** “For those who are newcomers, and facing additional language, cultural or educational barriers, the low entry requirements, immediate availability of work, and flexible hours in the VFH industry make it a potential way to earn an income. Limiting the number of licensed drivers in Toronto could restrict newcomer driver access to this income-earning opportunity”.<sup>5</sup>

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<sup>1</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], PDF page 79.

<sup>2</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], PDF page 79.

<sup>3</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], PDF page 80. These areas of concern also generally align with polling commissioned by Uber in October 2023:

[https://plurielresearch.com/wp-content/uploads/2023/10/Report\\_TorontoRideshare\\_18Oct2023.pdf](https://plurielresearch.com/wp-content/uploads/2023/10/Report_TorontoRideshare_18Oct2023.pdf).

<sup>4</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 14

<sup>5</sup> 2024.EX19.4 [2024 Staff VFH Report], page 9.

- **A cap degrades mobility for people with disabilities:** “Limiting the number of licensed drivers in Toronto could [...] increase wait times and fares for users, including those with disabilities, and/or during periods of high demand if driver availability is low.”<sup>6</sup>
- **A cap degrades mobility in equity-deserving communities:** “Restricting the number of licensed drivers could also lead to existing drivers focusing on serving trips closer to the City’s downtown core where demand is highest - lowering service coverage in suburban areas of the City.”<sup>7</sup> And “[s]urveyed users were concerned a limit would increase fares and wait times, particularly in areas without higher order transit.”<sup>8</sup>
- **A cap creates foregone revenue:** The cap will cost the City at least \$870,000.<sup>9</sup> And Staff’s reports make no mention of the per-trip fees that would also be foregone.

And City Staff’s reports highlight the critical role of ridesharing in the city:

- **Torontonians love ridesharing:** 80% of PTC users are “satisfied” or “very satisfied” with the services.<sup>10</sup>
- **Rideshare is a critical part of the urban mobility ecosystem:** The Transportation Services report notes “the important role the mode plays within the transportation system, serving a wide variety of trip purposes and providing redundancy to resident’s mobility choices.”<sup>11</sup> “PTC users travel in all parts of the city and for various reasons, including commuting, discretionary and essential travel, and to connect to transit.”<sup>12</sup>
- **Rideshare complements the TTC:** “Vehicles for hire play a complementary role in filling gaps in transit service coverage and frequency within the city.”<sup>13</sup> “34% of PTC users ... indicated that their trip involved a connection to public transit.”<sup>14</sup> “PTC users are also transit users ... 37% of VFH users reported using transit frequently (several times a week or more), while only 14% of VFH users reported using PTC services at the same frequency.”<sup>15</sup>
- **Rideshare serves equity-deserving communities equally:** Today, there are “no significant differences in PTC service provision and service characteristics between equity-deserving communities and the rest of the City”.<sup>16</sup>
- **Rideshare reduces impaired driving:** “In particular, VFH services play a key role in enabling residents to avoid impaired driving.”<sup>17</sup>
- **Rideshare reduces private car ownership:** “Among households with no vehicles, 35% of taxi and PTC users reported that PTCs and taxis had reduced their need for vehicle

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<sup>6</sup> 2024.EX19.4 [2024 Staff VFH Report], page 9.

<sup>7</sup> 2024.EX19.4 [2024 Staff VFH Report], page 9.

<sup>8</sup> 2024.EX19.4 [2024 Staff VFH Report], page 14.

<sup>9</sup> 2024.EX19.4 [2024 Staff VFH Report], page 8.

<sup>10</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 10.

<sup>11</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 14.

<sup>12</sup> 2024.EX19.4., page 20

<sup>13</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 6.

<sup>14</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 6.

<sup>15</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 8.

<sup>16</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 13.

<sup>17</sup> 2024.EX19.4 [2024 Staff VFH Report], page 18.

ownership. In households with one vehicle, 31% of users indicated that these services reduced the need to own additional vehicles.”<sup>18</sup>

Staff’s headline recommendation of a cap is only based on Council’s prior direction to operationalize a cap. In other words, the fact of a cap has been treated as a foregone conclusion—with Staff not permitted to opine on the policy rationale for or against a cap, only on how to **implement** one.

Selecting December 1, 2024 as the reference date for a driver cap is arbitrary. There is no logic for selecting that exact number. The number of licensed PTC drivers today is still 15% lower than the number in 2019.<sup>19</sup> Toronto will need more transportation options as the GTA population grows, and we plan for world-class entertainment such as the FIFA World Cup 26, events at the 49,000-seat Rogers Stadium, and the Toronto Tempo WNBA team, to name a few.

Finally, the *On The Road* driver wages report has severe methodological flaws, even disregarding that the City does not have jurisdiction to regulate driver wages. We address the shortcomings in **Schedule “B”** to this submission, but in short, the authors’ methodology artificially increases driver costs to make net earnings appear lower than reality. Labour is under the provincial government’s purview and they have introduced a minimum earnings standard for app-based workers, which will go into effect July 1, 2025.

The remainder of this submission is organized as follows.

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<sup>18</sup> 2024.EX19.4 [2024 Staff VFH Report], page 18.

<sup>19</sup> 2024.EX19.4 [2024 Staff VFH Report], page 11, Table 1; 2024.EX19.3 [ML&S Wages Report], page 3, Table 1.

## **1. Harms of a PTC driver supply cap**

Over the past 12 years ridesharing has become woven into the fabric of urban life in this city. Today ridesharing is an indispensable option for getting around the city, alongside cycling, private automobiles, public transit, taxis, limousines, walking, carpooling, and other modalities. As noted in the Gladki Planning Associates user survey, “**Several users also pointed out how PTCs fill in the gaps in the City’s transit network, and have therefore become a critical part of mobility infrastructure that is heavily relied upon for people’s daily needs (e.g. getting to work).**”<sup>20</sup>

An expert report commissioned by the City in 2019 found that “with the arrival of PTCs, there has been an overall increase in economic valuation of **\$140.7 million**” in the vehicle-for-hire (“VFH”) sector.<sup>21</sup>

The flexibility of using Private Transportation Company (“PTC”) apps, coupled with relatively low barriers to entry, mean that ridesharing provides an income earning opportunity to a vast swath of Torontonians, including equity-deserving populations living in Neighbourhood Improvement Areas. In a time of continuing inflation and runaway housing costs, access to this opportunity is more important than ever. The City Manager’s own report highlights the “otherwise flexible, low-barrier income-earning opportunity” that ridesharing currently offers.<sup>22</sup>

Yet some wish for the City to shoehorn ridesharing into the mismanaged, supply-capped model of the taxi industry. Longtime Torontonians will remember how difficult it was to find a cab during peak times, leading to more people using their own car to get around, even if they were impaired. And the deeply conservative worldview promulgated by opponents of ridesharing would have Toronto regress to a less fortunate time when, as described by City Staff in **2016**:

“Despite numerous attempts by the City to address issues within the taxicab industry, including two comprehensive reforms in the past 18 years, many within the industry continue to identify issues of **poor working conditions** and the **improper conduct** of industry participants/middlemen.”<sup>23</sup>

Below, we address the expected harms of a PTC driver supply cap on (a) drivers, (b) riders, and (c) the public.

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<sup>20</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], page 20.

<sup>21</sup> WSP Canada, “Economic Impact Analysis of Toronto’s Taxicab, Limousine, and Private Transportation Companies”, 17 May 2019, online: <<https://www.toronto.ca/legdocs/mmis/2019/gl/bgrd/backgroundfile-134427.pdf>>, page vi, emphasis added.

<sup>22</sup> 2024.EX19.4 [2024 Staff VFH Report], page 19.

<sup>23</sup> <https://www.toronto.ca/legdocs/mmis/2016/l/s/bgrd/backgroundfile-91911.pdf>, emphasis added.

### ***a. Harm to drivers***

A driver supply cap will not benefit incumbent PTC drivers, and will significantly harm prospective PTC drivers.

Ridesharing empowers drivers to earn income on their own schedule. To begin earning, a driver simply has to create an Uber account online, upload their documents (licence, insurance, vehicle inspection, etc.), and in Toronto, pay \$75–\$225 for the City-mandated driver training course.<sup>24</sup>

The City Manager has noted the importance of this economic opportunity:

“Over 70% of PTC and taxicab drivers in Toronto self-reported as being racialized in a stakeholder survey conducted as part of this review. For those who are newcomers, and facing additional language, cultural or educational barriers, the **low entry requirements, immediate availability** of work, and **flexible hours** in the VFH industry make it a potential way to earn an income.”<sup>25</sup>

From there, the driver decides when and where to earn. They are free to log on or off the platform whenever they want, and when logged on, they are not required to accept any trip requests. This is in contrast to the strictures of many other jobs where an employer requires their staff to perform listed tasks on a predetermined schedule. In fact, on Uber’s platform, around 50% of all *active*<sup>26</sup> PTC-licensed drivers go online for less than 20 hours per week, and around one-quarter go online for less than 10 hours per week on average. This is not counting the many PTC drivers who choose to not go online *at all* in a given week. And merely going online is not necessarily indicative of intent to accept trips, since there is no consequence for declining trips once online.

The low barriers to entry mean that many people turned to ridesharing to fill a certain need: maybe they are in-between jobs, or they want a little extra to pay for a vacation, or they are newly-arrived to Canada and waiting for their foreign credentials to be recognized.<sup>27</sup> Evidence also shows that low-barrier, platform-based work helped many individuals weather the economic crisis of the COVID-19 pandemic.<sup>28</sup>

Others choose to do ridesharing as their primary source of income on a long-term basis. These tenured drivers have often honed their skill and knowledge over thousands of trips to maximize their income. For example, they learn which times of day, and in which locations, will have the highest demand. They have figured out the behaviours that are likely to result in a satisfied customer and a higher tip.

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<sup>24</sup> <<https://www.uber.com/ca/en/drive/requirements/training/?city=toronto>>

<sup>25</sup> 2024.EX19.4 [2024 Staff VFH Report], page 9 (emphasis added)

<sup>26</sup> “Active” meaning they completed at least one trip that week.

<sup>27</sup> See Public First, “The Impact of Uber in Canada”, 2023, commissioned by Uber, online: <<https://ubercanada2023.publicfirst.co/>>, under section “Economic Resilience”.

<sup>28</sup> Accenture, “Platforms Work: Research with workers using the Uber app during the first year of the COVID-19 pandemic”, 30 August 2021, online: <[https://www.platformsworkreport.com](https://www.platformsworkreport.com/)>.

Rideshare drivers emailed the Mayor and Councillors after the October 2023 licence cap. Their statements of experience displayed the vast diversity of motivations why people choose to drive.

“I just arrived from Ukraine in my country there is a war and terrible things I have lost everything I just arrived ... I just want to earn bread for my family”

–I.K., prospective driver, email to Councillors, Oct 18, 2023

“...I want to drive UBER to support myself financially. It's really hard as the recession is about to be on its peak.

We all need money to support ourselves financially. During these hard times, it's nearly impossible to survive and save some money for future.”

–V., prospective driver, email to Councillors, Oct 13, 2023

Uber is proud to facilitate economic opportunity to prospective drivers at a time when the costs of living, groceries, housing, and property taxes are reaching all-time highs.

However, supply caps never benefitted taxi drivers, and supply caps will not benefit PTC drivers.

Staff noted in 2016 that despite years of regulatory intervention, including robust supply caps, the taxi sector was plagued by “issues of **poor working conditions**”.<sup>29</sup> The municipal regulatory interventions led to unexpected consequences, in that case creating a power dynamic in which taxi plate-owners and brokers exploited shift drivers. By analogy, the City does not cap the number of cafés to keep barista wages high, or limit the number of commercial dog-walker permits to ensure they have good working conditions. Yet that self-same absurd approach is being presented as a panacea for PTC drivers.

A PTC driver supply cap will increase **deadheading** by non-PTC-licensed drivers who pick up riders in the GTA and drop them off in the City proper. Those drivers will have to drive out of the City empty, wasting their time and resources. That is harmful to drivers.

“I am a resident of Toronto and I now have to drive out of the city to capture requests. ... It is especially harsh when I may have a pickup in Mississauga for example, and their destination is Toronto or farther to east Toronto (Scarborough and beyond) and I have to drive all the way back to Mississauga to capture requests again. Thereby making the trip a breakeven journey with almost 2 hours of travel with traffic and construction everywhere in the city.”

–G.A., prospective PTC driver, email to Councillors, Oct 29, 2023

Prospective drivers will suffer the most. We regularly hear stories of immigrants who drive with Uber while waiting for their foreign credentials to be recognized; or people who drive for a period of time after a layoff; or people who work in industries (such as film) where the work is not consistent and so they do ridesharing to fill the gaps.

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<sup>29</sup> <<https://www.toronto.ca/legdocs/mmis/2016/ls/bgrd/backgroundfile-91911.pdf>>, emphasis added.

“Hi , I'm a father of autistic child and house wife, I'm also pharmacist Candidate , doing my board examination in Pharmacy to get the license, Worth to know I'm new to Canada, been here for almost 2 years and tried many minimum wage jobs to survive and feed my family, my living expenses is too much that's why I drive Uber and it's my only job I do now until I manage to fulfill my exams.”

–E.A., rideshare driver, email to Councillors, Oct 14, 2023

It is antithetical to any notion of distributive justice that individuals who, by sheer luck, do not happen to be within the incumbent group of existing PTC drivers will be blocked from accessing a meaningful income-earning opportunity.

“Uber’s flexible hours and the ability to earn income while I focus on my education were key factors in my decision. However, the license freeze, if implemented, would have a severe impact on my plans. It threatens to take away the means by which I can sustain myself while pursuing my educational goals. The flexibility Uber offers is vital for me to balance work and school effectively. I understand that the city must consider various factors when making decisions about licensing and transportation, but I kindly request you to consider the individual stories and aspirations of your constituents.”

–Y.F., rideshare driver, email to Councillors, Oct 13, 2023

### ***b. Harm to riders***

A driver supply cap will significantly harm riders, which runs counter to the City’s statutory authority to regulate for consumer protection.

Following Council’s illegal PTC licensing freeze in October 2023, Uber commissioned a survey of Torontonians by Pluriel Research which showed:

- A majority of Torontonians were concerned about increased wait times (64%) and increased prices (72%) as a result of the new freeze on rideshare drivers.
- Most Torontonians believed a freeze will only make life more difficult and more expensive (58%) and that it will hit working and lower income people the hardest (59%).
- Of all the issues Pluriel tested (11 issues), regulating rideshare companies came in last in terms of Torontonians’ issue priority. Only 3% put the issue in their top-3, and 77% would prefer that City Council focus on more important issues, with housing affordability and homelessness topping the list.<sup>30</sup>

The Pluriel results reflect the profoundly positive impact that Uber has had on Toronto over the years. Toronto was one of the first international cities where Uber launched operations, after only the United States (where Uber was founded) and Paris, France (where the idea for Uber was conceived). Uber launched ridesharing in Toronto in 2012, and later in 2016 Toronto became the first city anywhere in the world to have the Uber Eats app. Uber has a tech hub in downtown Toronto employing hundreds of software engineers, developers, and other

<sup>30</sup> Pluriel Research, “Toronto Rideshare Survey”, 13–16 October 2023, online: <[https://plurielresearch.com/wp-content/uploads/2023/10/Report\\_TorontoRideshare\\_18Oct2023.pdf](https://plurielresearch.com/wp-content/uploads/2023/10/Report_TorontoRideshare_18Oct2023.pdf)>.

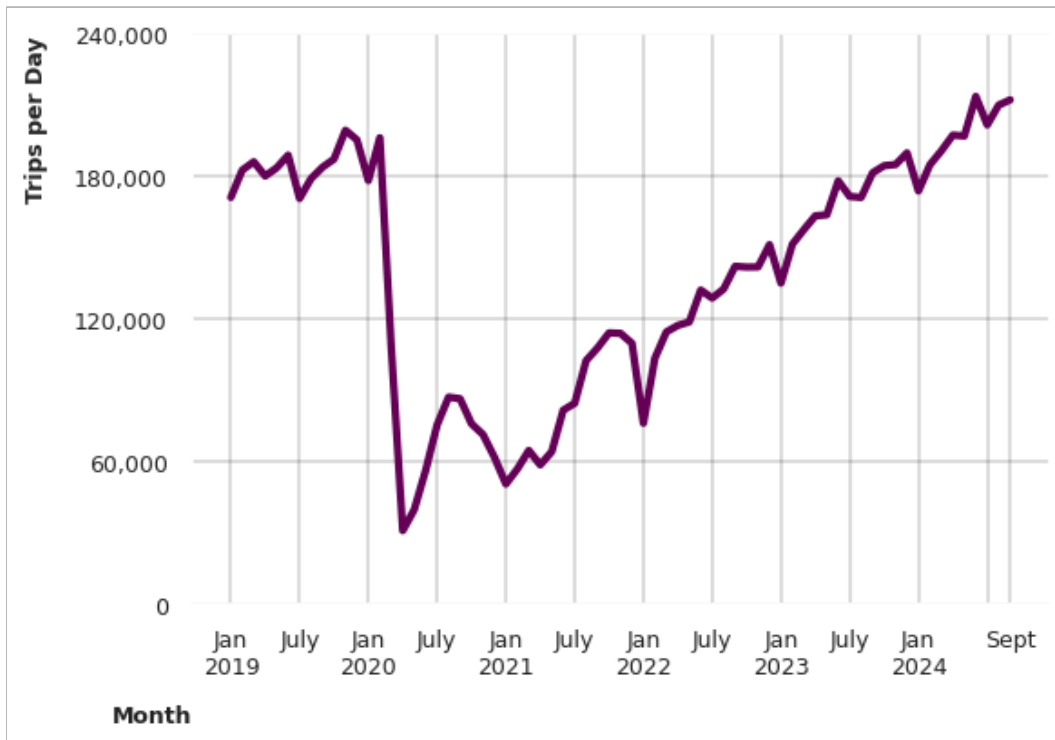
professionals. We have invested tens of millions of dollars to build our customer base and brand in Toronto.

Each year, millions of residents and visitors use Uber to request trips in the City of Toronto. Uber helps to bridge geographical gaps in the public transportation system, reduce or eliminate the need for personal vehicles, and facilitate a safe and reliable way of moving around the city.

Riders choose Uber because they trust that Uber’s platform is safe. One of Uber’s core corporate values is “**Stand for Safety**”,<sup>31</sup> and we have invested heavily to develop best-in-class safety features and processes. **Schedule “A”** to this submission summarizes Uber’s safety and compliance measures.

Demand by Torontonians for PTC services has been consistently increasing as residents choose to use ridesharing instead of their own personal vehicle, and use ridesharing to complement other modes of transportation. Per City Staff analysis, the PTC sector saw sustained growth in trip demand prior to the COVID-19 pandemic, a predictable plummet during lockdowns, and since approximately 2021 a trend of sustained growth to all-time highs across all PTCs in Toronto:

Average daily trips by month from January 2019 to September 2024, all PTCs<sup>32</sup>

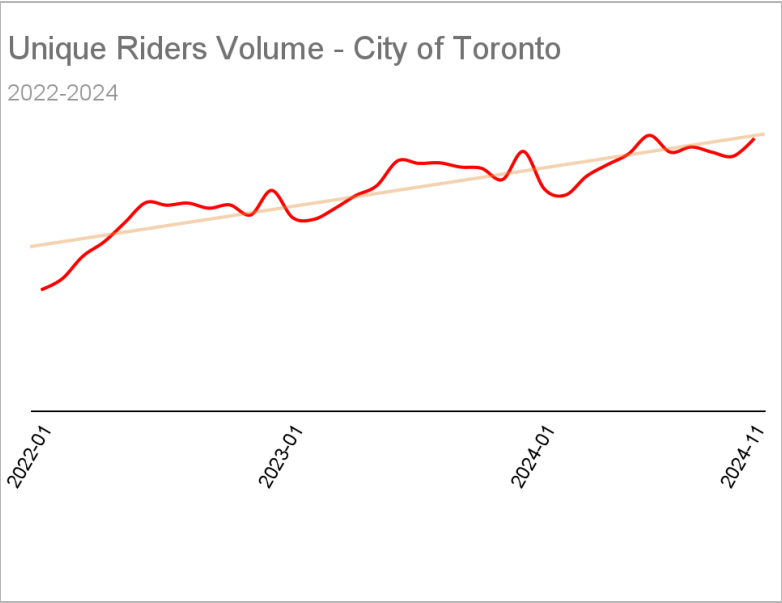


<sup>31</sup> See the full list of Uber’s values at: <<https://www.uber.com/ca/en/careers/values/>>.

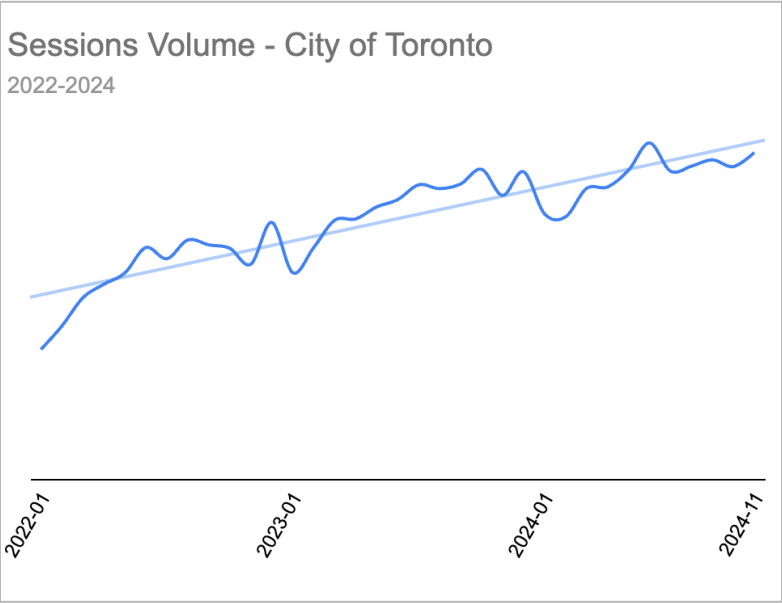
<sup>32</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 5.



The number of unique riders taking a trip in the City of Toronto has also been increasing. This chart shows the number of unique riders taking a trip per month with Uber in the City of Toronto since January 2022, with a trendline showing the steady increase over time:



And the number of instances of riders opening the Uber app and looking for a ride (we refer to this internally as “sessions”) within the City of Toronto has been increasing. This chart shows the overall number of sessions per month since January 2022, with a trendline showing the steady increase:



Riders' reasons for choosing ridesharing are **varied**. In City-commissioned research, users identified “the important role the mode plays within the transportation system, serving a wide variety of trip purposes and providing redundancy to resident’s mobility choices.”<sup>33</sup>

According to the same City-commissioned research, riders are worried that a cap will increase **wait times, prices, and transportation availability**.<sup>34</sup> That worry is completely justified, given past experience with the supply-managed taxi sector, which was plagued by unreliability and questionable business practices. Those same concerns were front and centre in Uber-commissioned research following the October 2023 illegal licensing freeze.<sup>35</sup>

Thus, in no way does a driver cap advance “**consumer protection of the travelling public**” which is the primary objective of VFH regulation.<sup>36</sup> We witnessed this sentiment in the many emails riders sent to the Mayor and Councillors following the illegal October 2023 licensing freeze. These emails highlighted the public’s essential and manifold requirements for ridesharing access.

- Riders—particularly women—choose to ride with Uber because they consider it a **safe** option. 81% of Canadian riders say safety is an important reason why they choose to ride with Uber (this rises to 89% amongst women).<sup>37</sup> As mentioned above, one of Uber’s core values is “Stand for Safety”, and we have created a broad suite of safety features and support processes, which we continue to innovate upon, as described in **Schedule “A”**. A supply cap will impair availability and will thus foster feelings of insecurity, unsafety, and uncertainty for these riders.

“It is hard enough getting around the city and with the safety issues in the ttc as a female I’m scared to ride alone at night. Uber is one of the only safe ways. Also I’ve experienced countless issues with cab drivers – refusing a ride bc it isn’t long enough or demanding cash. Please do not take away my main transportation method.”

–N.M., small business owner, rideshare user, email to Councillors, Dec 13, 2023

“I am a young woman and also a student. [...] Uber is the only method of transportation that makes me feel safe, and as a student the prices are currently reasonable for me.”

–E.B., rideshare user, email to Councillors, Dec 13, 2023

- Seniors, the ill, and differently-abled riders choose Uber for **accessibility** reasons. Door-to-door transportation is essential. The 2023 Toronto Population Health Profile noted that 22% of residents have at least one form of a disability (broadly defined, and

<sup>33</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 14.

<sup>34</sup> 2024.EX19.4. Attachment 4 [Gladki Survey], pages 20, 30.

<sup>35</sup> Pluriel Research, “Toronto Rideshare Survey”, 13–16 October 2023, online: [https://plurielresearch.com/wp-content/uploads/2023/10/Report\\_TorontoRideshare\\_18Oct2023.pdf](https://plurielresearch.com/wp-content/uploads/2023/10/Report_TorontoRideshare_18Oct2023.pdf).

<sup>36</sup> 2024.EX19.4 [2024 Staff VFH Report], page 11; see also *City of Toronto Act, 2006*, SO 2006, c 11, Sch A, s.8(2).8.

<sup>37</sup> Public First, “The Impact of Uber in Canada”, 2023, commissioned by Uber, online: <https://ubercanada2023.publicfirst.co/>.

including mental health).<sup>38</sup> That figure rises to 47% amongst seniors aged 65+. For this population segment, the TTC may not be a viable option for most or all of their trips. A driver cap will adversely impact their ability move around the city.

“I use cabs and Uber regularly. Mostly uber because the cars are clean and I know how much it will cost me before I order. I'm a senior citizen and rely on these services. I don't qualify for wheel trans and can't use ttc if I'm shopping or in bad weather.”

–G.M., rideshare user, email to Councillors, Dec 13, 2023

“As seniors my wife and I rely on taxi and Uber services sometimes at short notice for medical appointments”

–B.T., rideshare user, email to Councillors, Dec 13, 2023

- Riders who live in **transit deserts** or areas underserved by transit rely on rideshare to fill the transportation gap. Under a supply cap, they will find it harder to get around the city, including commuting to their jobs. City Staff reports that: “A limit to licensing that reduces the number of drivers and vehicles may have an impact on the mobility of users in parts of the city, especially in locations where there is a lack of higher order transit.”<sup>39</sup>

“As someone who lives in the east end, the ongoing ttc issues due to construction make it very unreliable.”

–A.F., rideshare user, email to Councillors, Dec 12, 2023

“I work 45 minutes outside the city and were I to take transit, it would take me upwards of 2.5 hours to get to work. Never mind getting home.”

–A.A., rideshare user, email to Councillors, Dec 12, 2023

“ I rely on UBER to commute daily as I cannot drive for medical reasons. Public transportation is not adequate to meet my transportation needs as I would need to take 3 separate busses for a short commute.”

–S.C., rideshare user, email to Councillors, Dec 12, 2023

- Residents who choose to live a **car-free** or **car-light** lifestyle rely on Uber to fill their use-cases that other forms of urban transportation cannot. A supply cap will nudge these individuals toward private car ownership, which will increase the cost to them personally along with the negative externalities of congestion, parking, emissions, etc.

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<sup>38</sup> Toronto Public Health, “Toronto’s Population Health Profile: Insight on the health of our city”, February 2023, online: <https://www.toronto.ca/wp-content/uploads/2023/02/940f-Torontos-Population-Health-Profile-2023.pdf>.

Note that these disability figures were derived from Statistics Canada data collected in 2017.

<sup>39</sup> 2024.EX19.4 [2024 Staff VFH Report], page 21.

“One of the biggest positive changes to happen to commuters inside the city has been the rise of rideshare programs like Uber. It’s made living in this city without a car SO MUCH EASIER. I have a ttc pass and an annual bikeshare pass, but these would not be nearly as useful without the addition of ride-on-demand car service when biking/subway is unavailable. The concert of these three services makes Toronto one of the easiest cities to explore.”

–M.J., rideshare user, email to Councillors, Dec 13, 2023

“I am a person who does not drive and I rely on public transportation when possible. Thus, I do not own my own vehicle and depend on services like Uber and Lyft to reach areas of the city with poor bus or subway coverage.”

–S.L., rideshare user, email to Councillors, Dec 12, 2023

There is no universe in which a PTC supply cap advances the objective of consumer protection. A cap will make it harder for all Torontonians to get around, including the equity-deserving communities that, according to Staff, are currently well-served by PTC.<sup>40</sup>

Moreover, capping the number at those licensed on December 1, 2024—the main proposal being advanced—is **arbitrary**. There is no scientific reason for selecting that number. It makes no sense to cap the number of drivers during a time of sustained growth in rider demand for PTC services.<sup>41</sup> It makes no sense to select a number that is still **15% lower** than the number of PTC drivers licensed in 2019.<sup>42</sup> The cap number is as good as pulled out of a hat.

### ***c. Harm to the public***

Ridesharing has many second-order positive benefits to the public, beyond the immediate users of the PTC apps. A driver supply cap would also harm the broader public interest.

In May 2019, the consultancy WSP Canada undertook a study for Municipal Licensing and Standards (“**ML&S**”) to explore the economic and social impacts of PTCs since Chapter 546 was introduced to regulate ridesharing in 2016.<sup>43</sup> The combined total consumer surplus for the taxicab and PTC industry increased by \$112.9 million between 2011–2016, which was “mainly due to the entrance of PTCs in 2012, making the city of Toronto vehicle-for-hire market more competitive.”<sup>44</sup> The overall increase in economic valuation—being an estimated measure of the benefit from a good or service, and which is often greater than the market value—was \$140.7 million, even after subtracting the regulatory costs of Chapter 546 and any negative impact to the taxi sector.<sup>45</sup>

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<sup>40</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 13.

<sup>41</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 5.

<sup>42</sup> 2024.EX19.4 [2024 Staff VFH Report], page 11, Table 1; 2024.EX19.3 [ML&S Wages Report], page 3, Table 1.

<sup>43</sup> WSP Canada, “Economic Impact Analysis of Toronto’s Taxicab, Limousine, and Private Transportation Companies” (17 May 2019), online:

<https://www.toronto.ca/legdocs/mmis/2019/gl/bgrd/backgroundfile-134427.pdf>.

<sup>44</sup> *Ibid*, page iii.

<sup>45</sup> *Ibid*, page vi.

The economic benefit to the city is obvious, and would be curtailed by a supply cap. But beyond the economic considerations, there are specific public health and safety considerations.

*Firstly*, the availability of ridesharing is consistently and repeatedly demonstrated to reduce **impaired driving**:

- A study at Temple University compared rates of alcohol-related crash deaths in cities before and after Uber was available.<sup>46</sup> While there are a number of factors that affect impaired driving trends, findings from this research conclude that the arrival of Uber in a city led to a 3.6%–5.6% decrease in the number of people killed in alcohol-related car crashes;
- A study published in the Journal of American Medical Association (JAMA) found that rideshare trip volume had a significant negative correlation with the incidence of motor vehicle–associated trauma, particularly for those under 30 years old.<sup>47</sup> The study also found a geographically linked reduction in impaired driving convictions associated with the introduction of rideshare services; and
- A working paper by University of California researchers at the U.S. National Bureau of Economic Research, with access to Uber proprietary data, found that ridesharing with Uber has decreased U.S. alcohol-related traffic fatalities by 6.1% and reduced total US traffic fatalities by 4.0%.<sup>48</sup>

Impaired driving is a blight on society, and a supply cap can reasonably be expected to increase the instances of impaired driving. This is particularly so because the risk is highest after drinking at bars and parties at night: transit routes run less regularly if at all, and taxis—which are supply-capped—are hard to come by. And cycling while impaired is incredibly dangerous.

*Second*, as discussed in the “Emissions” section below, PTC vehicles are more likely to be zero-emission than other private automobiles. Limiting the supply of lower-emission transportation is at odds with the City’s own climate goals.

*Third*, and relatedly, City-specific supply caps invariably lead to increased **deadheading**, whereby a driver provides a trip from outside the City (e.g., Mississauga) ending inside City borders, only to find they are ineligible to start a trip within the City and must drive back across the border to receive another trip request. The reality is that drivers and riders move all across the GTHA, and the City of Toronto is just one part of that agglomeration. A supply cap in one part of the region creates distorted outcomes across the entire region.

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<sup>46</sup> Brad N. Greenwood & Sunil Wattal, “Show Me the Way to Go Home: An Empirical Investigation of Ride Sharing and Alcohol Related Motor Vehicle Homicide” (2015) Fox School of Business Research Paper No. 15-054, URL: <https://ssrn.com/abstract=2557612>.

<sup>47</sup> Christopher R. Conner et al., “Association of Rideshare Use With Alcohol-Associated Motor Vehicle Crash Trauma” (2021) JAMA Surg.156(8):731–738, URL: <https://jamanetwork.com/journals/jamasurgery/fullarticle/2780664>

<sup>48</sup> Michael Anderson & Lucas W. Davis, *Uber and Alcohol-Related Traffic Fatalities*, Working Paper 29071, URL: <https://www.nber.org/papers/w29071>.

*Fourth*, reducing rideshare availability hurts local businesses. The availability of urban transportation has second- and third-order impacts on a city. The City continues to move forward on its Night Economy Strategy with a view to improving the business of restaurants, bars and entertainment venues, including nightclubs and live music venues. But patrons will be less willing to go out and support, for example, local restaurant and entertainment enterprises, if they are worried they will not be able to get to and from the site. Many downtown businesses are still struggling with the post-COVID reality of a workforce largely working from home or remotely. Making it even harder for these white-collar workers to move around the city will only hinder their return to in-office work.

*Fifth*, more and more residential developments are being built *without* private parking spaces. In 2021, the City removed minimum parking requirements for new developments.<sup>49</sup> In 2024 the provincial government prohibited municipal zoning by-laws from requiring minimum parking requirements for motor vehicles (other than bicycles) in areas near higher order transit stations.<sup>50</sup> Obviously the hope is that transit and active transportation (cycling, walking) will be the main means of urban transportation for these future inhabitants. But there will always be situations where on-demand, point-to-point transportation in a motor vehicle is needed—and the City is making it harder to access that transportation. There is an inherent tension between the City’s goals of reducing private car ownership (by reducing private parking), and at the same time limiting the supply of PTC services. As the Toronto Region Board of Trade states:

“Additionally, VFH services offer a viable alternative to personal vehicle ownership. This is supporting a trend among city residents to forgo car ownership. The result: fewer cars added to our roads amid surging population growth. This in turn means new developments are being built with fewer parking spaces, reducing construction costs and improving housing affordability.”<sup>51</sup>

## **2. Congestion, emissions and transit**

In the recent policy discussions, we have seen 3 main arguments raised by the opponents of ridesharing: 1) traffic congestion, 2) emissions, and 3) taking riders from transit. (A fourth argument is driver earnings, which is addressed in Schedule “B” of this submission). It is important that these arguments be considered with actual **evidence**, rather than preconceptions and ideology. We discuss each in turn.

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<sup>49</sup> City of Toronto, “City Council approves changes to regulations for car and bike parking spaces in new developments”, press release, 15 December 2021, online: <https://www.toronto.ca/news/city-council-approves-changes-to-regulations-for-car-and-bike-parking-spaces-in-new-developments/>.

<sup>50</sup> City Manager, “Respecting Local Democracy and Cities - Supplemental Report: Impact of Bill 212 Bike Lanes Framework”, 13 November 2024, page 7, online: <https://www.toronto.ca/legdocs/mmis/2024/cc/bgrd/backgroundfile-250545.pdf>.

<sup>51</sup> Toronto Region Board of Trade, “Vehicle for Hire services are a vital part of Toronto’s transportation ecosystem”, 5 December 2024, online: <https://bot.com/News/Vehicle-for-Hire-services-are-a-vital-part-of-Toronto-s-transportation-ecosystem>.

### **a. Traffic congestion**

There is no empirical evidence that concludes, with any degree of scientific certainty, that ridesharing has increased congestion in the City of Toronto. Nor is there any reliable evidence that a cap on the number of PTC drivers will materially reduce congestion. The City Manager, the Executive Director of Municipal Licensing and Standards, and the General Manager of Transportation Services agree that:

“Some trends **suggest** that licensing limits **may** help address observed negative trends, though **it remains unclear whether limits would notably reduce congestion.**”<sup>52</sup>

The City Manager’s statement echoes Staff’s advice back in 2021 that:

“At this time, there is **insufficient evidence** to suggest that additional measures are required to mitigate congestion or broader impacts of the vehicle-for-hire industry, such as a cap on the number of vehicles or drivers”.<sup>53</sup>

Rather, Toronto’s chronic congestion results from the closure or reduction of major arteries for long periods of time for construction and municipal works. Examples have included the long-delayed Eglinton Crosstown, the Ontario Line construction, sections of Bloor St. W., Queen St. W. from Bay to Victoria, Adelaide St., and many others—but perhaps most impactful, the yearslong rebuild of the Gardiner Expressway.

“Our city is congested because proper traffic assessments have not been done or prioritized and poor city planning. We have been living amongst Eglinton's mess for 12 YEARS. It takes 20 minutes just to get out of our neighbourhood. (2-4 blocks) My husband takes an hour to go 13 kilometers in the city because most streets downtown are all under construction at the same time and because King street is essentially blocked for use.”

–S.S., rideshare user, email to Councillors, Dec 13, 2023

“The city is full of construction and road closures which already make it very hard to go from a to b in the city”

–J.M., rideshare driver, email to Councillors, Oct 19, 2023

The City report on provincial Bill 212 acknowledged that construction—not ridesharing—is the primary driver of traffic congestion:

The City of Toronto continues to be the busiest city in North America for construction, driven by several factors: the ongoing construction of major provincial transit projects [...], private development activity to support

<sup>52</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 14, emphasis added.

<sup>53</sup> <<https://www.toronto.ca/legdocs/mmis/2021/gl/bgrd/backgroundfile-173388.pdf>>, emphasis added.



population growth, and major infrastructure renewal including the Gardiner Expressway reconstruction. **The reduced network capacity due to construction-related road closures is a primary factor contributing to congestion across the city.**

While the economic benefits of these projects will deliver long-term value to the residents and businesses in the city, the **impacts of construction** are having a direct impact on network capacity and mobility across the city. Since the end of the pandemic, construction traffic impacts have been exacerbated by changes in travel patterns due to returning to in-person workplaces and a resurgence of people attending events on the weekends.

In summary, construction has increased, travel patterns and habits have changed, the city population continues to grow rapidly and, as a result, overall congestion is having a significant impact on people's daily lives and travel.<sup>54</sup>

A recent quantitative study commissioned by The Globe and Mail found that traffic “bottlenecks have converged around major construction projects, suggesting that road capacity rather than demand is a bigger part of the problem.”:<sup>55</sup>

<b>Top 5 travel bottlenecks in the GTA</b>				
	<b>ROAD NAME</b>	<b>ROAD DIRECTION</b>	<b>BOTTLENECK START</b>	<b>BOTTLENECK END</b>
1	Queen Elizabeth Way	E	Southdown Road	Gardiner Expressway - Exit 153
2	ON-401	W	Exit 385	ON-401 Express W. - Exit 365
3	ON-401	W	Exit 383	ON-401 - Exit 354
4	Don Valley Parkway	N	Lake Shore Blvd.	ON-401 Express W. - Exit 375
5	Queen Elizabeth Way	E	Exit 124	Queen Elizabeth Way - Exit 136 / Service Rd. / Park Royale Blvd.

Note: Some bottlenecks overlap as they represent congestion during different parts of the day.  
THE GLOBE AND MAIL, SOURCE: INRIX

<sup>54</sup> City Manager, “Respecting Local Democracy and Cities - Supplemental Report: Impact of Bill 212 Bike Lanes Framework”, 13 November 2024, page 6, online: <https://www.toronto.ca/legdocs/mmis/2024/cc/bgrd/backgroundfile-250545.pdf>, emphasis added.

<sup>55</sup> Mariya Postelnyak, “Toronto traffic doesn’t just seem worse, it is worse – and data show these major bottlenecks are to blame”, *The Globe and Mail* (12 November 2024), <https://www.theglobeandmail.com/canada/article-toronto-traffic-getting-worse/>.



Importantly, the five main bottlenecks identified are *not* the downtown core, where Staff says that rideshare activity is most concentrated. The Globe and Mail article quotes Toronto’s director of traffic management, Roger Browne, as saying the main issue is that major construction projects have left less room for cars.<sup>56</sup>

A more recent piece in the Toronto Star quotes Mr. Browne as again pointing to public- and private-sector construction as the driver of traffic congestion:

“This summer we had points in time where as much as 18 per cent of road capacity was taken away by road construction ... Really, that's the issue today in terms of congestion.”<sup>57</sup>

The construction-driven gridlock will only be exacerbated by the potential large-scale removal of bike lanes along several major corridors if or when mandated by the provincial government.<sup>58</sup>

“I struggle believe that the mane reason of congestion in Toronto is not Uber it's the construction that take forever.”

–H.Y., rideshare driver, email to Councillors, Oct 14, 2023

It is not surprising that the downtown core, with the “highest concentration of development and construction projects”, is also where we find the highest proportion of rideshare activity compared to privately-owned automobiles.<sup>59</sup> To put it differently, rational Torontonians are choosing not to drive their own vehicles in downtown gridlock, and are instead relying on PTC services if and when needed.

A driver cap is premised upon the bizarre notion that the 4.5% proportion of total traffic citywide—or 14.2% proportion of traffic downtown—associated with PTC vehicles, would simply evaporate if PTCs did not exist. But as City Staff note, a significant portion of those trips would simply be replaced by individuals driving their own vehicles (and the associated cruising around looking for parking), or by getting a lift from someone else (and the associated deadheading back to origin).<sup>60</sup>

An important factor heretofore ignored in the discussions is that the average PTC vehicle is physically smaller than the average privately-owned vehicle. Smaller vehicles take up less physical space on the road, which is better for overall congestion. Statistics Canada data shows that SUVs, trucks and vans as a proportion of overall Ontario vehicle registrations has risen

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<sup>56</sup> *Ibid.*

<sup>57</sup> David Rider and Kate Allen, “Toronto's traffic is a nightmare. Here's what some experts say is the biggest culprit and what the city can do about it”, *Toronto Star*, 7 December 2024, page A1, online: <[https://www.thestar.com/news/gta/torontos-traffic-is-a-nightmare-heres-what-some-experts-say-is-the-biggest-culprit-and/article\\_2e29c71c-acd6-11ef-92d2-33ef8207aefb.html](https://www.thestar.com/news/gta/torontos-traffic-is-a-nightmare-heres-what-some-experts-say-is-the-biggest-culprit-and/article_2e29c71c-acd6-11ef-92d2-33ef8207aefb.html)>

<sup>58</sup> *Ibid*, page 13.

<sup>59</sup> 2024.EX19.4 [2024 Staff VFH Report], page 16.

<sup>60</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 7.

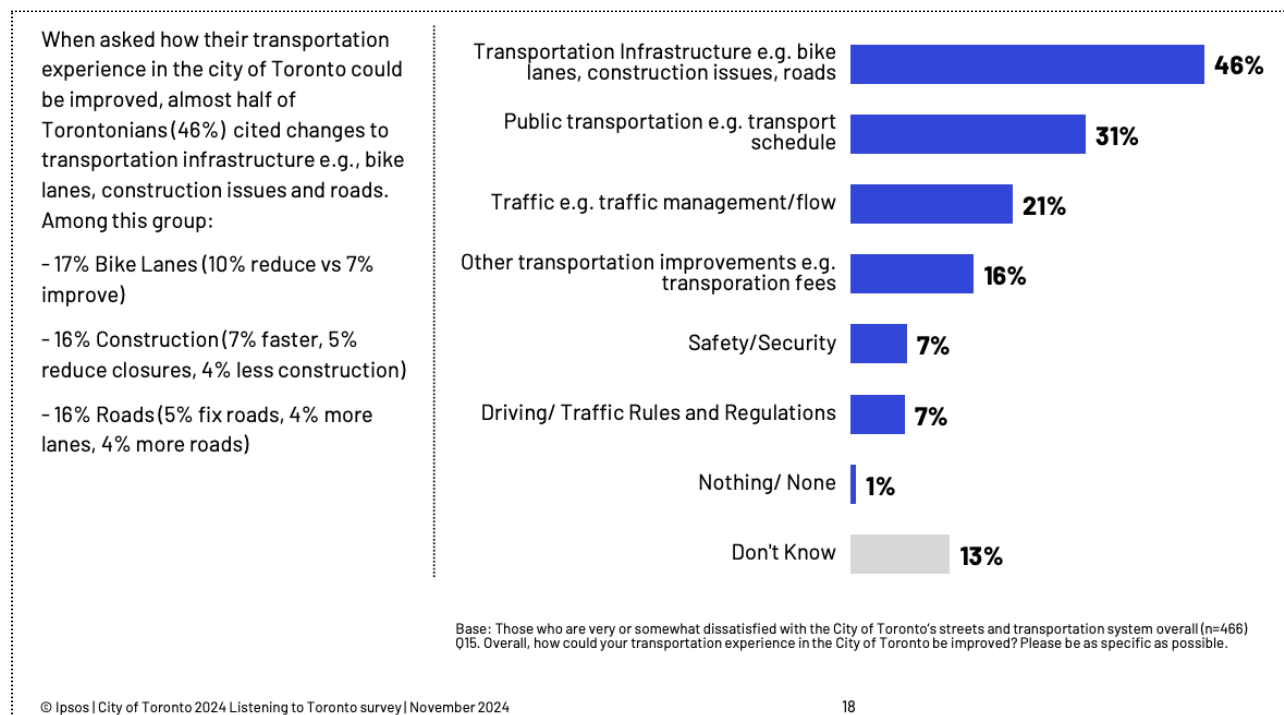
nearly 10% over the past 7 years.<sup>61</sup> Comparing the general population numbers to PTC drivers' vehicle registrations with Uber:

Vehicle type	Ontario Gen. Pop. (StatsCan, 2023)	Uber PTC (2023)
SUV, truck, van	63%	45%
Passenger car	37%	55%

The distribution of rideshare trip volume amongst vehicle type is nearly identical. Uber's top 3 PTC vehicles in Toronto are the Honda Civic, Toyota Corolla, and Hyundai Elantra—all sedans.

A cap will massively increase **deadheading** by drivers who are licensed in GTA municipalities but not the City of Toronto proper. These drivers will pick up riders within the GTA, drop them off in the City—e.g., downtown—and then have to drive out of the City without any riders. This will also increase congestion, since there will be more rideshare drivers traversing Toronto unable to pick up passengers.

In November 2024, the City published the “Listening To Toronto Survey” by Ipsos.<sup>62</sup> When it comes to transportation, residents **did not ask for a PTC supply cap**. Residents are more concerned with infrastructure, public transit, and management of traffic flow:



<sup>61</sup> Statistics Canada. Table 23-10-0308-01 Vehicle registrations, by type of vehicle and fuel type DOI: <https://doi.org/10.25318/2310030801-eng>

<sup>62</sup> Martin Hrobsky, “Listening To Toronto Survey”, Ipsos, November 2024, online: <https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-251235.pdf>.

To its credit, the City is working on some of these issues, for example:

- Improving coordination of construction, including so that different infrastructure and utility needs are addressed at the same time instead of across discrete projects;<sup>63</sup>
- Reducing the impedance of traffic by private-sector building construction projects;<sup>64</sup>
- Increased fines for “Blocking the Box”, i.e., when motorists try to beat a red light and end up blocking an intersection;<sup>65</sup> and
- Training a cohort of 50 new traffic agents to direct traffic around the busiest intersections, which demonstrably improves traffic flow.<sup>66</sup>

According to the data, the City’s traffic congestion management measures are starting to work, speeding up travel times and improving transit reliability on several key corridors.<sup>67</sup> These measures are logical and effective policy responses to congestion issues. Whereas a PTC supply cap is not empirically supported to noticeably reduce congestion—including because a cap would drive up private automobile ownership and use.

## ***b. Emissions***

As with the congestion data, there is no empirical evidence finding that a driver cap will positively impact Toronto’s emissions profile. Indeed, as the PTC sector transitions to zero-emissions far more quickly than the general population (and even the City’s own fleets), a PTC driver cap will make it *harder* for users to access low-emission transportation options.

Research conducted by the Transportation and Air Quality (“**TRAQ**”) research group at the University of Toronto sheds light on this. TRAQ’s report estimates that the VFH industry represents about 5% of greenhouse gas (“**GHG**”) emissions in the City out of all transportation.<sup>68</sup> While TRAQ do not provide a breakdown of their GHG emissions estimates within the VFH industry, they note that “PTCs such as Lyft and Uber represent around 70% of VFH VKT with the remaining 30% travelled by taxis/limo brokerages”.<sup>69</sup>

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<sup>63</sup> City Council, Item 2024.IE16.2, 9 October 2024, <<https://secure.toronto.ca/council/agenda-item.do?item=2024.IE16.2>>

<sup>64</sup> City Council, Item 2024.IE16.4, 9 October 2024, <<https://secure.toronto.ca/council/agenda-item.do?item=2024.IE16.4>>

<sup>65</sup> City of Toronto, “City of Toronto increases fines as part of Don’t Block the Box program to help combat congestion and enhance road safety”, press release, 16 September 2024.

<sup>66</sup> City of Toronto, General Manager, Transportation Services, “Congestion Management Plan 2023-2026 - Fall Update”, 24 September 2024, online: <<https://www.toronto.ca/legdocs/mmis/2024/ie/bgrd/backgroundfile-248975.pdf>>.

<sup>67</sup> City of Toronto, “New data shows that City of Toronto’s traffic congestion management measures are working”, press release, 12 September 2024, online: <<https://www.toronto.ca/news/new-data-shows-that-city-of-torontos-traffic-congestion-management-measures-are-working/>>.

<sup>68</sup> 2024.EX19.4. Attachment 6 (TRAQ report).

<sup>69</sup> 2024.EX19.4. Attachment 6 (TRAQ report), page 3.



Using VKT as a proxy would suggest that PTCs are only responsible for around 4% of GHG emissions in the City. (Given Uber is only one of the PTCs operating in Toronto, Uber’s share of GHG emissions from all transportation modes in the City would be even less than this figure.)

Furthermore, the above analysis does not consider the broader implications of any potential regulatory intervention in this context. *First*, there is no guarantee that net emissions would fall as a result, given that a portion of these journeys are still likely to be made with alternative forms of transport (e.g., taxis, private cars) that may generate similar or higher emissions. Increased ownership and use of private vehicles is associated with a number of negative externalities in addition to environmental concerns, such as the need for ample private and public parking, increased incidence of road accidents, and a greater need for regular road maintenance, amongst others. Data clearly shows that once someone decides to invest in the purchase of a car it makes up a disproportionate amount of their trips.<sup>70</sup>

“I am able to not own a vehicle and live in the city thanks to the combination of public transportation and ride sharing. If ride sharing becomes unusable, it would incentivize me to purchase a personal vehicle which would be a net negative for the environment.”  
 –K.K., rideshare user, email to Councillors, Dec 13, 2023

“My husband and I share a vehicle. We can only ride our bicycles recreationally so I rely on TTC for work but need to take Uber or taxi weekly for appointments outside of public transit, to assist ailing parents, grocery shopping etc. ... I don't want to be forced to buy another vehicle because of ride share getting reduced. I would also drive more frequently if a car was conveniently sitting there.”  
 –S.S., rideshare user, email to Councillors, Dec 13, 2023

<sup>70</sup> See here for more information:  
<https://medium.com/uber-under-the-hood/three-early-takeaways-from-the-2017-national-household-travel-survey-b23506efe8ad>

*Second*, even if ridesharing was no longer an option, the cars being used to provide ridesharing services are mostly private cars and these cars, along with their emissions, would not disappear ‘overnight’ as they continue to be used for private use.

*Third*, references to PTC vehicles “cruising for a passenger” reflect a fundamental misunderstanding of the PTC sector.<sup>71</sup> Whereas taxis are incentivized to cruise the streets in search of street hails, Chapter 546 actually prohibits PTC drivers from accepting street hails.<sup>72</sup> A rational PTC driver does not “cruise” aimlessly when waiting for a passenger, since that incurs fuel and maintenance costs, not to mention the hassle of driving. Rather, a rational PTC driver finds a place to stop, relax, and wait for their next trip request. Indeed even the numbers published in the *On The Road* report show that the distance travelled during the period waiting for a trip (also known as P1 time) is significantly lower than the distance travelled while en-route to pick up a passenger (P2 time) and transporting the passenger (P3 time).<sup>73</sup> Moreover, any distance travelled in P1 may not truly be deadheading, as the driver may be engaged in other productive work, such as app-based delivery work.

Importantly, the PTC sector is **already rapidly transitioning to zero-emission vehicles (“ZEVs”)**.<sup>74</sup> In late 2023, the City introduced a net-zero requirement for VFH starting January 1, 2030, requiring that all VFH must be ZEVs as of January 1, 2031.<sup>75</sup> This is consistent with Uber’s own publicly-stated goal of being a zero-emissions platform in the U.S. and Canada by 2030.<sup>76</sup>

Uber offers the popular UberX Share option, whereby multiple different riders can choose to share their trip with each other, at a slightly reduced price. This shared rides option puts ‘more bums in seats’, leading to lower per-rider emissions and VKTs. By contrast, with the exception of limited carpooling programs, most people taking trips in their private automobiles do not share their ride.

The data that Uber submits to the City shows that the number of completed trips with Uber Green (ZEVs, plug-in electric hybrids (“**PHEVs**”), and hybrids) has grown much faster than non-Green trip requests:<sup>77</sup>

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<sup>71</sup> See e.g., 2024.EX19.4 [2024 Staff VFH Report], page 17; 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 3;

<sup>72</sup> Chapter 546, § 546-110.

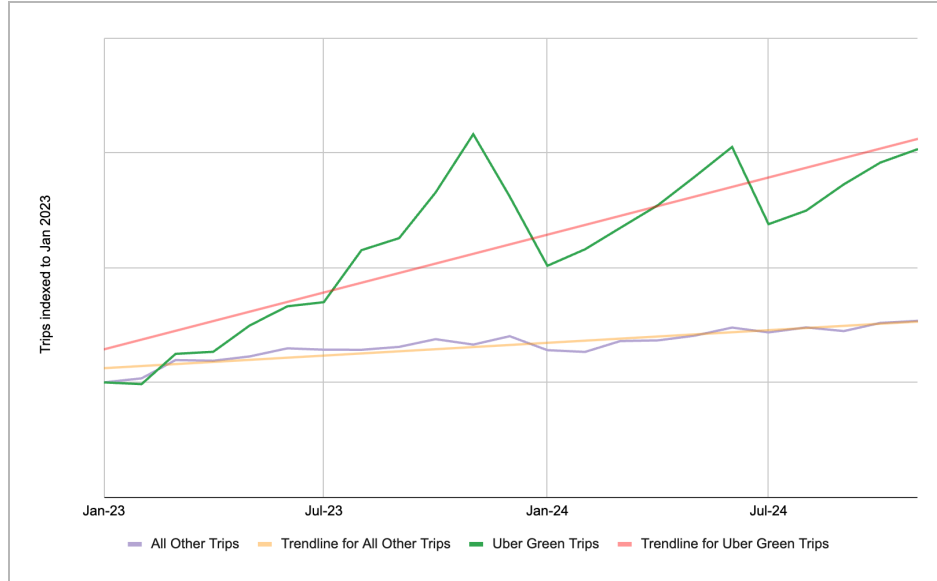
<sup>73</sup> 2024.EX19.3. Attachment 1 [On The Road], page 25.

<sup>74</sup> See Public First, “The Impact of Uber in Canada”, 2023, commissioned by Uber, online: <<https://ubercanada2023.publicfirst.co/>>, under section “Sustainability”.

<sup>75</sup> EC6.6 – Transitioning the Vehicle-for-Hire Industry to Net Zero Emissions by 2030: [2023-10-11 Minutes - City Council \(toronto.ca\)](https://www.toronto.ca/city-council/2023-10-11-minutes/).

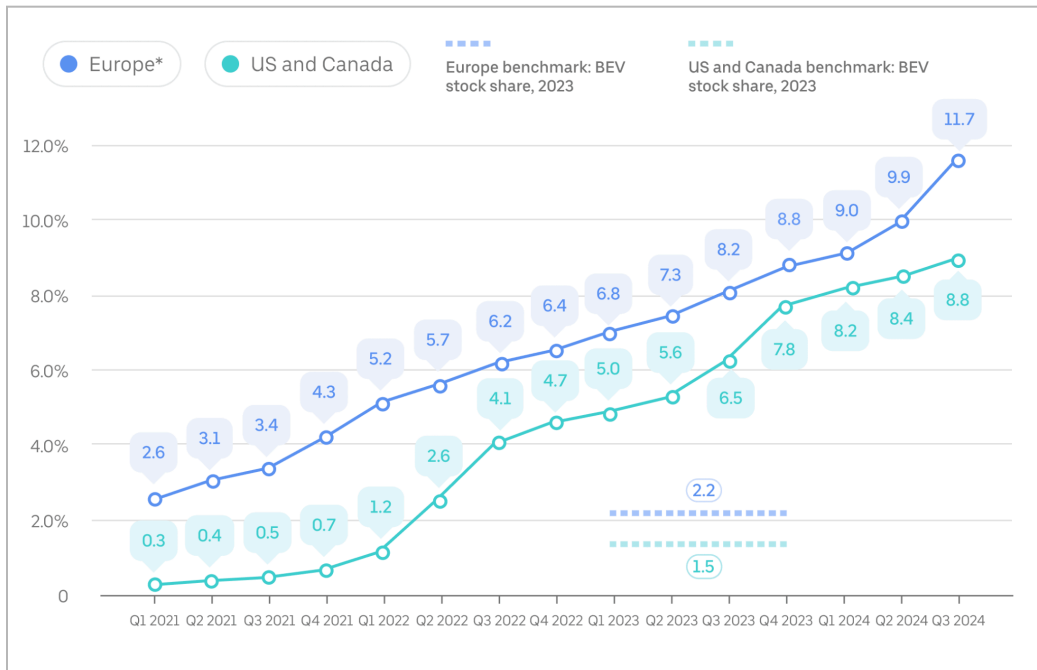
<sup>76</sup> Driving a Green Recovery: <<https://www.uber.com/newsroom/driving-a-green-recovery>>

<sup>77</sup> In actuality, the number of completed trips fulfilled by EV and PHEV drivers will be significantly higher given that many EV and PHEV drivers also fulfil UberX and other ride options.



The green transition is happening **faster** with Uber than other forms of transportation. Uber estimates that the ZEV uptake among drivers affiliated with Uber in the U.S. and Canada is almost 6 times the rate in the general population:

Share of on-trip miles completed in ZEVs compared with all on-trip miles arranged by the Uber app, by quarter since Q1 2021.<sup>78</sup>



The 2030 ZEV mandate for PTC vehicles is far ahead of the City's goals for other forms of transport. For example, the **City's 2030 goal** for its vehicles more generally is that **just 30%** of

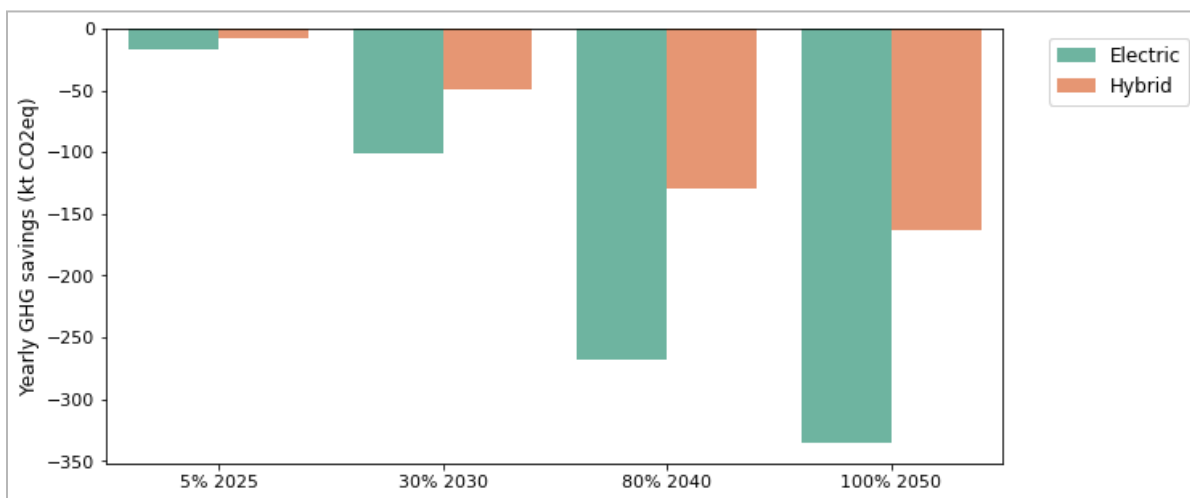
<sup>78</sup> Uber's Climate Assessment and Performance Report, <https://www.uber.com/ca/en/about/reports/sustainability-report/>.

registered vehicles are electric, and that only **50%** of the TTC bus fleet and 50% of the City-owned fleet are zero emissions.<sup>79</sup>

Even for internal combustion engine (“**ICE**”) PTC vehicles, the vehicle age limit of 7 years in Chapter 546 means that ICE PTC vehicles are newer—and therefore generally less polluting—than the older vehicles in use by the general population.<sup>80</sup>

TRAQ’s research supports that emission intensity (i.e., per trip km) from ridesharing in the City is materially lower for BEVs and PHEVs relative to ICE vehicles.<sup>81</sup> The TRAQ report shows that BEV ridesharing produces only around 10% of the GHG emissions of a private ICE vehicle, and that PHEV ridesharing produces between 60 and 70% of private ICE vehicle emissions. The improvements are even larger compared to ICE ridesharing vehicles. Further, TRAQ notes that transitioning to BEVs and PHEVs results in a particularly strong reduction in emissions in the City due to “the low carbon intensity of the Ontario electricity grid.”<sup>82</sup> The report demonstrates the potential for significant emissions savings as the penetration of vehicles that are PHEVs or BEVs increases over time:

VFH yearly GHG savings achieved from PHEV and BEV scenarios with 5%, 30%, 80% and 100% penetration (percent reductions are compared to a base case scenario with GHG emissions for the VFH industry equal to 392 kt CO<sub>2</sub>eq in 2019)<sup>83</sup>



To this end, Uber is pleased that City Staff have recommended approval of Uber’s Zero Emission Grant Remittance Plan, which should accelerate ZEV adoption on Uber’s platform.<sup>84</sup>

<sup>79</sup> TransformTO Net Zero Strategy, <<https://www.toronto.ca/services-payments/water-environment/environmentally-friendly-city-initiatives/transformto/>>.

<sup>80</sup> See e.g. Arthur van Benthem et al., “How Effective Are Vehicle Exhaust Standards?”, 7 December 2022, online: <<https://kleinmanenergy.upenn.edu/wp-content/uploads/2022/12/KCEP-Digest-How-Effective-Are-Vehicle-Exhaust-Standards.pdf>>; Yoann Bernard et al., “Development and application of a United States real-world vehicle emissions database”, October 2020, online: <<https://www.trueinitiative.org/media/791467/us-emissions-database-true-initiative-report.pdf>>

<sup>81</sup> 2024.EX19.4. Attachment 6 (TRAQ report), page 3.

<sup>82</sup> 2024.EX19.4. Attachment 6 (TRAQ report), page 5.

<sup>83</sup> 2024.EX19.4. Attachment 6 (TRAQ report), page 4.

<sup>84</sup> 2024.EX19.4. Attachment 3.



### c. Transit

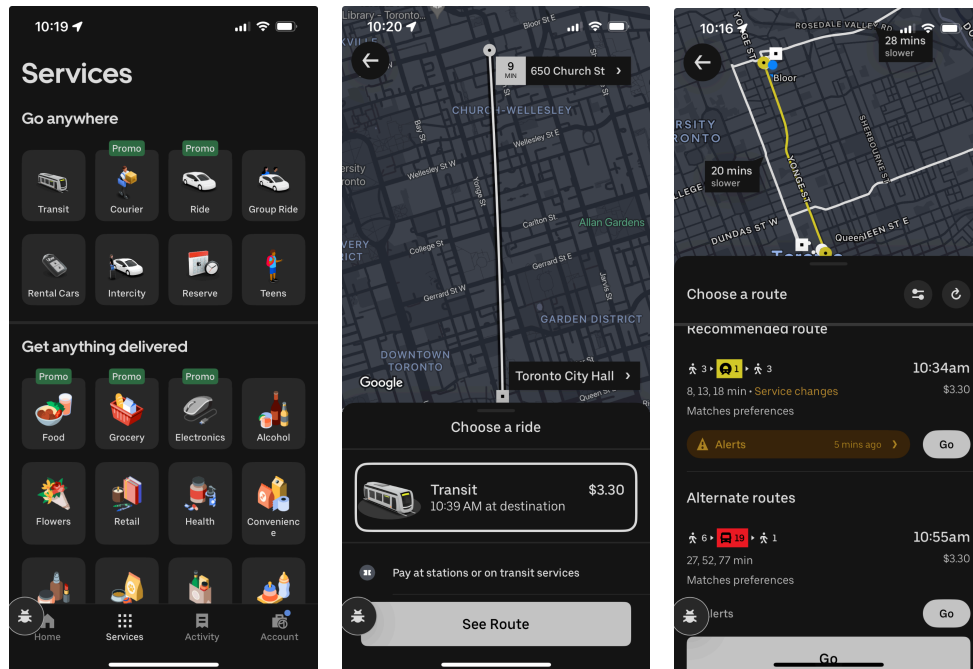
Uber has long said that ridesharing *complements* public transit. Yes, they are both a way of getting around a city. But they are equally both a gateway for residents to live a car-free or car-light lifestyle—and the less residents rely on their private automobile, the more they will take transit.

The City Manager’s report and study now back this up:

“34% of respondents connected with at least one mode of transit (TTC, GO, UP Express), during their trip suggesting that PTCs contribute to a significant number of travellers' mobility by **enhancing access to transit**.”<sup>85</sup>

“[I]t is important to note that **PTC users are also transit users**, according to data from the VFH user survey. The survey shows that 37% of VFH users reported using transit frequently (several times a week or more), while only 14% of VFH users reported using PTC services at the same frequency. As a result, while PTC use may contribute to some shifts away from transit, it also serves to **complement transit** particularly when there is greater urgency for speed and reliability of travel, for example during subway disruptions where PTCs can complement bus bridging to help passengers get to their destinations.”<sup>86</sup>

As a matter of principle, Uber believes that a strong and well-functioning transit infrastructure is absolutely essential for urban mobility. In fact, Uber’s app includes TTC transit routes, with “Transit” shown in the in-app list of mobility services:



<sup>85</sup> 2024.EX19.4 [2024 Staff VFH Report], page 18, emphasis added.

<sup>86</sup> 2024.EX19.4. Attachment 5 [Transportation Services analysis], page 9, emphasis added.



Uber has partnered with transit authorities in Ontario and abroad to facilitate on-demand transit that works for the riders who need it, for example:

- Starting in May 2017 and continuing today, Innisfil Transit enables riders to access on-demand transit at a low price, costing the municipality a fraction of what capital investment in fixed transit lines would have.<sup>87</sup>
- More recently in April 2024, Wellington County partnered with Uber to supplement its RIDE WELL program which provides on-demand transit to those in rural areas.<sup>88</sup>

While TTC ridership numbers took a massive hit from the pandemic, we are pleased to see that the TTC is rebounding strongly:

- The number of commuters mainly taking public transit rose by 92.5% between May 2021 to May 2023 in Toronto.<sup>89</sup>
- TTC service hours have been increased to 97% of pre-pandemic levels.<sup>90</sup>
- The TTC announced it reached a post-pandemic ridership high during the first week of September 2024, with 2.66 million riders boarding local transit every day.<sup>91</sup> September 2024 ridership was increased 6% year-over-year.<sup>92</sup>
- The recent transit ridership growth is most concentrated in the downtown.<sup>93</sup>

The choice between rideshare and transit reflects riders' own special circumstances as well as the pros and cons of each. On the most important factor—cost—the TTC will always win out over ridesharing. The TTC's standard adult fare is \$3.30 (with PRESTO), similar to the regulated minimum fare for PTC of \$3.25, but in reality the minimum charge for an economy UberX trip is at least \$5.25 plus City fees and sales taxes.

Riders' structural preference for transit over ridesharing was evidenced by what happened after the Scarborough RT was abruptly shut down in July 2023:

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<sup>87</sup> <<https://innisfil.ca/en/living-here/using-innisfil-transit.aspx>>; see also Uber Canada, "The story of Innisfil", 25 June 2019, online: <<https://www.uber.com/en-CA/blog/the-story-of-innisfil/>>

<sup>88</sup> Isabel Buckmaster, "RIDE WELL partners with Uber to improve service", *GuelphToday*, 17 April 2024, online: <<https://www.guelphtoday.com/wellington-county/ride-well-partners-with-uber-to-improve-service-8608645>>.

<sup>89</sup> Statistics Canada, "Commuting to work by car and public transit grows in 2023", 22 August 2023, online: <<https://www150.statcan.gc.ca/n1/daily-quotidien/230822/dq230822b-eng.htm>>

<sup>90</sup> Toronto Transit Commission, "TTC further increasing service, strengthening connections, improving reliability", Press Release, 27 August 2024, online:

<<https://www.ttc.ca/news/2024/August/TTC-further-increasing-service>>

<sup>91</sup> Alex Arsenych, "The TTC says ridership reached a post-pandemic high", *CTV News*, 17 September 2024, online:

<<https://toronto.ctvnews.ca/the-ttc-says-ridership-reached-a-post-pandemic-high-1.7041847>>

<sup>92</sup> Toronto Transit Commission, "Monthly TTC KPIs Report", November/December 2024, page 6, online: <<https://www.ttc.ca/transparency-and-accountability/CEOs-Report>>

<sup>93</sup> Toronto Transit Commission, "CEO's Report", November/December 2024, page 10, online: <<https://www.ttc.ca/transparency-and-accountability/CEOs-Report>>.

- Trips with Uber in Scarborough grew 72% more than trips in the rest of Toronto. This is the relative change in the trip growth rate over a three-month period before and after the Scarborough RT shutdown; and
- Trips with Uber to and from Kennedy Station (the terminal subway station in Scarborough) increased by 29%. This is the change in trips over a three month period before and after the Scarborough RT shutdown.

In other words, these were riders who, when given the choice, *preferred to take transit* over ridesharing. When the RT shut down, left with no viable transit option, these riders turned to ridesharing as their secondary, less preferred choice.

The City’s own Gladki Planning Associates survey noted multiple users said that “the TTC is currently not a viable alternative service because service is unreliable and feels unsafe.”<sup>94</sup> The report notes:

“There was consensus among respondents that the **public transportation network in Toronto needs to be improved**. However, there were variety of opinions about whether a licensing limit would help or hinder Toronto’s transportation network. Some people remarked that **TTC service should be safer and more reliable** before a licensing limit was introduced.”<sup>95</sup>

This sentiment echoes much of what Councillors heard from residents following the licensing freeze in October 2023.

“I live and work downtown, so often find myself relying on last minute Ubers while standing at a streetcar stop to get to work because the scheduled public transportation never shows up. [...] I don't have experience with any other taxi service, but can vouch for Uber's green option, as well as the 'share your ride' which are both great for those citizens who are concerned about the environment (which I am apart of).”

–A.N., rideshare user, email to Councillors, Dec 13, 2023

“Line 1 and 2 go offline every other weekend. Every other carriage has a homeless person sleeping in it... The only way to get around the city is by taking a bus which is unreliable and stressful. There is nobody coordinating bus schedules with ongoing and endless construction. Living on Eglinton is a nightmare.”

–F.H., rideshare user, email to Councillors, Dec 17, 2023

Indeed the most recent TTC KPIs show that reliability continues to be an issue on most major transit routes.<sup>96</sup> Significantly increased monetary investment, and focused strategic initiatives, are required to improve the TTC to a world-class transit program befitting a world-class city.

<sup>94</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], page 20.

<sup>95</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], page 23.

<sup>96</sup> Toronto Transit Commission, “Monthly TTC KPIs Report”, November/December 2024, online: <<https://www.ttc.ca/transparency-and-accountability/CEOs-Report>>

### **3. Centralized dispatch service for WAV**

Uber Canada supports recommendations #3 through #9, and #13 through #17 in principle. Uber Canada supports the establishment of a centralized dispatch service (“**CDS**”) for wheelchair accessible vehicles-for-hire (“**WAV**”), and offers the following constructive feedback:

- The CDS should integrate with PTC apps, such that a rider request for a WAV in a PTC app will be automatically routed through the CDS.
- The costs of this governmental IT project should be kept under tight control, to ensure minimal impact on licensing fees, and to ensure the CDS is efficient with the maximum proportion of budget directly benefitting WAV passengers.

We are happy to work with the City on the implementation of this new system if it is approved by Council.

## SCHEDULE “A” - Uber Safety and Compliance

One of Uber’s values is “Stand for Safety”.<sup>97</sup> We act on that belief every day in Toronto.

Uber acknowledges that ridesharing does not come without risks to public safety and society. This is why we work hard every day to mitigate those risks.

This is also why ridesharing is already very heavily regulated in the City of Toronto. Municipal Code Chapter 546, which regulates PTCs along with taxis and limos, runs a full 90 pages long. In addition there are ML&S’ policies, procedures and practices.<sup>98</sup> This robust regulatory framework covers all aspects of public safety and consumer protection, including price transparency, vehicle standards, driver qualifications and criminal record, data collection and reporting, and insurance. Indeed, Uber provides tens of millions of lines of data to the City every single year, encompassing details of every single rider trip taken and every single driver’s activities, including their online time and on-trip time.

As seen in the rider emails quoted throughout this submission, rideshare is often seen as a safer form of urban transportation, particularly for women at risk of sexual assault and harassment. To this end, Uber Canada has a commitment to reducing public risk and promoting safe use of the Uber App. We believe our technology can help make traveling safer for both riders and drivers, and these are just some of the **safety features** we have launched in Toronto:

- In-App Safety Toolkit: Riders have immediate access to the Uber app’s safety features all in one place, including the ability to share their trip status with friends and family in real-time; 24/7 incident support; and an emergency assistance button to call for help if needed. The app displays the user’s location and trip details, so they can quickly share them with the emergency dispatcher.
- Engagement with Law Enforcement: Uber works very closely with law enforcement, including the Toronto Police Service and Toronto Crime Stoppers.<sup>99</sup> We have an online portal at <[lert.uber.com](http://lert.uber.com)> just for law enforcement inquiries where law enforcement can request data and information from Uber, subject to proper legal process being followed. This portal is staffed 24/7/365 with rapid response for emergency situations. Uber also has a Law Enforcement Operations team that works on the ground with local agencies.
- RideCheck: By using sensors and GPS data, RideCheck can help detect if a trip goes unusually off-course or if a possible crash has occurred. If the app alerts Uber to anything out of the ordinary, they’ll reach out to provide riders and drivers with the tools to get help.
- Real-time ID Check: The Driver App randomly asks drivers to take a selfie to ensure that the correct driver is accessing the account.

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<sup>97</sup> See the full list of Uber’s values at: <<https://www.uber.com/ca/en/careers/values/>>.

<sup>98</sup> See <<https://www.toronto.ca/services-payments/permits-licences-bylaws/private-transportation-companies-uberfacedrive-drivers/drivers-for-private-transportation-companies/>>; <<https://www.toronto.ca/services-payments/permits-licences-bylaws/private-transportation-companies-uberfacedrive-drivers/private-transportation-companies/>>

<sup>99</sup> <<https://www.222tips.com/Campaign/Info/6da0ae5d-0c51-4442-b336-a9b900b9ec40>>.

- Vehicle information and PIN Verification: We encourage riders to double-check the app for their driver’s information to ensure they are getting in the right car by matching the license plate number, the car make and model, and driver’s appearance to the information displayed in the rider app. Uber’s newest feature is PIN verification. On some trips, riders will be asked to provide their driver with a unique 4-digit PIN before the trip can start. This helps riders verify that they are getting into the right car.
- Audio Recording: Riders and drivers have the option to record audio through their app to help encourage safe, comfortable interactions on trips. By giving users this control, Uber empowers users to monitor and report uncomfortable situations. User privacy is protected as Uber can only access the recording if the user chooses to share it when opening an incident report.
- Seatbelt alerts: An audible reminder for riders to buckle up when they begin the trip.
- Driver Safety: All the above safety features, including 24/7 support and the emergency button, are available to drivers, as well as features like speed limit alerts and driving hour limits to mitigate fatigue.

In June 2023, Uber launched **Teen trips** in Ontario, which bundles several of these safety features to be always on (location sharing with guardian/parent; audio recording; PIN verification; RideCheck). Now, parents or guardians can permit their teens aged 13–17 years old to use Uber, under full supervision, with this full suite of safety features.

Uber is especially committed to **women’s safety**. Uber committed to a multi-year, multi-million dollar campaign, called Driving Change,<sup>100</sup> to partner with leading sexual assault and domestic violence partners around the world. In Canada, Uber works with organizations such as YWCA Canada, Woman Abuse Council of Toronto, and the Canadian Centre to End Human Trafficking to help keep people safe and end gender-based crimes in our country. Additionally, Uber also recently launched a driver facing product, Women Rider Preference,<sup>101</sup> in Canada that allows women and non-binary drivers to accept requests from women riders only, giving them more confidence to choose to drive. In November 2024, Uber published the guide “*Using Uber in Canada: Safety & Privacy Considerations for Survivors of Gender-Based Violence*”.<sup>102</sup>

Ridesharing apps enable the driver and rider to ‘rate’ each other out of five stars at the end of each trip. This creates a strong incentive for users to behave in a safe and courteous manner when transacting on the Uber platform.

Ultimately, every user of Uber’s apps—drivers, riders, restaurants, delivery people, etc.—is required to follow Uber’s Community Guidelines.<sup>103</sup> The Community Guidelines are a set of rules built around three pillars: Treat everyone with respect; Help keep one another safe; and Follow the law. If Uber receives reports of a user breaching the Community Guidelines, there may be repercussions up to and including removing the user from the Uber platform.

<sup>100</sup> <<https://www.uber.com/newsroom/driving-change-to-end-gender-based-violence/>>.

<sup>101</sup> <<https://www.uber.com/en-CA/newsroom/women-rider-preference-canada/>>

<sup>102</sup> <<https://uber.app.box.com/s/0jx0y1h43q836ditlbyjbowlkwnjbr1h>>.

<sup>103</sup> <<https://www.uber.com/ca/en/safety/uber-community-guidelines/>>

Behind the scenes, Uber Canada’s dedicated Regulatory Operations and Safety team focuses on regulatory compliance. Each year they devote thousands of hours and countless engineering resources to comply with Chapter 546, including complying with the data reporting requirements. (On a side note, taxi sector participants consistently fail to comply with their own data reporting requirements<sup>104</sup>.) Uber Canada has been rigorously **audited by a major audit firm** for compliance with Chapter 546 every year since 2020. These audits have revealed **no major compliance issues**.

Among other things, Uber properly validates the PTC driver training certificates that are now required by Chapter 546 since 2022.

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<sup>104</sup> A December 2019 Staff report to Council states: “Although the Vehicle-for-Hire Bylaw requires taxicab brokers, limousine service companies, and PTCs to submit trip data to the City, currently, only the PTC industry and one taxicab broker complies in a satisfactory manner.” Online: <https://www.toronto.ca/legdocs/mmis/2021/gl/bgrd/backgroundfile-173388.pdf>.

## **SCHEDULE “B” - Driver earnings**

**Firstly**, as acknowledged in Staff’s materials, the City does not have jurisdiction to regulate driver wages.<sup>105</sup> As acknowledged by the Mayor,<sup>106</sup> the Provincial Parliament has passed the *Digital Platform Workers’ Rights Act*, also known as Bill 88, which occupies the field of platform worker earnings regulation.<sup>107</sup> The province has published regulations detailing the earnings standard, to come into force on July 1, 2025.<sup>108</sup>

Uber Canada has advocated for provincial minimum earnings legislation for platform-based workers since March 2021.<sup>109</sup> This includes asking the provincial government to establish an earnings standard of 120% of minimum wage for engaged working time, plus a portable benefits package.<sup>110</sup>

Thus, any municipal attempt to regulate in respect of driver wages is both unnecessary and *ultra vires*. Supply caps are not the answer. A substantive minimum earnings standard is the right policy response to the issue of driver earnings.

**Second**, the “*On The Road*” wages study by Assistant Professor Mischa Young, Professor Steven Farber, and researcher Mashrur Rahman, is plagued by methodological errors.<sup>111</sup> The idea that the majority of PTC drivers work for less than \$6 per hour—with many drivers, as suggested by the authors, at a net income loss—is, on its face, just not credible.

The methodological errors could have been mitigated if the authors had given Uber an opportunity to review a draft of the report.<sup>112</sup> The result is a study that works backwards, starting with a conclusion and adjusting the facts to support that conclusion.

Essentially, the *On The Road* study systematically over-estimates driver variable costs, and over-allocates driver fixed costs, with the result that driver net earnings appear far lower than they actually are. These material errors include the following:

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<sup>105</sup> 2024.EX19.3. Attachment 2 [Gladki Survey], page 19.

<sup>106</sup> Letter from Mayor Olivia Chow to Hon. David Piccini, MPP dated 3 December, 2024, online: <[https://www.facebook.com/story.php/?story\\_fbid=440261405795350&id=100094344813597&\\_rdr](https://www.facebook.com/story.php/?story_fbid=440261405795350&id=100094344813597&_rdr)>.

<sup>107</sup> *Digital Platform Workers’ Rights Act*, 2022, SO 2022, c 7, Sch 1, <<https://www.ontario.ca/laws/statute/22d07>>; see also 2024.EX19.3, page 8.

<sup>108</sup> O. Reg. 344/24: General, <<https://www.ontario.ca/laws/regulation/r24344>>.

<sup>109</sup> Uber Canada, “A Modern Approach to App-Based Work in Canada”, 10 March 2021, online: <<https://www.uber.com/en-CA/newsroom/a-modern-approach-to-app-based-work-in-canada/>>.

<sup>110</sup> Colin D’Mello, “Uber is calling on Doug Ford to raise the minimum wage for gig workers to \$18 an hour”, *CTV News*, 11 February 2022, online: <<https://toronto.ctvnews.ca/uber-is-calling-on-doug-ford-to-raise-the-minimum-wage-for-gig-workers-to-18-an-hour-1.5777107>>

<sup>111</sup> 2024.EX19.3. Attachment 1 [*On The Road*].

<sup>112</sup> The authors afforded Uber one brief meeting, after they had completed most of their work, and evidently ignored the constructive feedback that Uber provided.



- The authors correctly exclude the vehicle purchase cost (“as we consider it as an asset owned by the driver, which can be sold”).<sup>113</sup> Since most drivers already own their personal automobile, this is a cost that would be borne by them anyway. But inexplicably, the authors *include* the costs of *financing* a vehicle, as well as the *sales tax* on the purchase price.<sup>114</sup> These are costs that would be borne by a vehicle owner regardless of whether they engage in ridesharing, and should be treated the same as purchase cost.
- The authors include the entire cost of insurance, even though every vehicle on Ontario roads must have insurance anyway. The authors justify this decision by saying “many automobile insurance companies raise their rates when drivers report using their vehicles for commercial purposes, such as PTC work”.<sup>115</sup> If that is the case, the authors should have isolated the incremental premium associated with ridesharing work, rather than allocating the entire cost of insurance.
- Also on the insurance point, Uber—not the driver—is responsible for paying for the \$2M umbrella insurance policy covering drivers’ on-trip activity.<sup>116</sup> Since September 2024, that amount is included in the “Estimated insurance and payments costs” line item that appears on both rider receipts and on the weekly breakdown of earnings provided to each driver.
- The authors include the fixed costs of vehicle registration,<sup>117</sup> which would be incurred by the vehicle owner regardless of whether they do ridesharing. Uber’s data policy team has previously explained why fixed costs should be treated carefully when estimating rideshare driver costs.<sup>118</sup>
- The authors correctly acknowledge that vehicle depreciation is a function of both time and mileage.<sup>119</sup> However, the authors allocate both the time-based depreciation and mileage-based depreciation to ridesharing. This approach is incorrect: they should have only allocated as a driver expense the depreciation from active ridesharing kilometres—i.e., the depreciation “directly affected by the kilometers driven for ridehailing purposes”<sup>120</sup>—while omitting the unavoidable time-based depreciation. The authors’ data provider, Vincentric, does have the ability to segregate time-based depreciation from mileage-based depreciation.

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<sup>113</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 18. Presumably the authors excluded the purchase cost because, had they included it, every driver in Toronto would appear to be operating at a massive financial loss, obviating any sense of credibility from the study.

<sup>114</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 18.

<sup>115</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 18.

<sup>116</sup> Chapter 546, § 546-114.

<sup>117</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 18.

<sup>118</sup> Uber Under the Hood, “Excessive rates and their negative effects: A review of Minnesota’s proposed pay standard”, 30 March 2024, online:

<<https://uberpubpolicy.medium.com/excessive-rates-and-their-negative-effects-a-review-of-minnesotas-proposed-pay-standard-9747c14d0254>>.

<sup>119</sup> 2024.EX19.3. Attachment 1 [*On The Road*], pages 18, 22. All else being equal, an older vehicle is typically less valuable than a newer vehicle; and a high-mileage vehicle is less valuable than a low-mileage vehicle.

<sup>120</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 22.



- To determine vehicle expenses based on the Vincentric data, the authors “*use the average annual expense from 2024-2029 for 2018 vehicle models or later, and the average annual expense from 2025-2029 for older vehicles*”.<sup>121</sup> However, the authors do not document whether they have used the Vincentric nominal costs forecast (which incorporates expected future price increases in maintenance, repairs, insurance, etc.), or whether they have used real costs adjusted to the 2023–2024 timeframe. Using nominal costs could result in a significant overstatement of costs.
- While not entirely clear, it appears the authors have excluded the cost of HST on fares from driver gross earnings.<sup>122</sup> However, the authors do not account for the fact that PTC drivers, as independent contractors, are entitled to claim many categories of costs as tax-deductible business expenses.<sup>123</sup>
- The authors make no mention of driver promotions and incentives, which drivers take advantage of regularly, and which have the effect of lowering the service fee paid by drivers.

Setting aside these methodological errors, the authors are forthcoming about data limitations in their study:

- They only had access to gross rider fare data, not net driver earnings data.<sup>124</sup> This is to be expected, since the City regulates for consumer protection (i.e., amounts paid by the riders) rather than worker wages (i.e., net amounts remitted to the drivers).
- About 10% of the PTC vehicles were shared amongst drivers, so the authors excluded many drivers (likely higher than 10% of drivers) associated with those shared vehicles.<sup>125</sup>
- The authors assume an Uber service fee without knowing the actual service fee breakdowns for different drivers.<sup>126</sup>
- They could not account for whether a trip was a higher-fare product such as Uber Pet or Uber Reserve,<sup>127</sup> and they excluded the premium product Lyft Lux.<sup>128</sup>
- They do not know whether, during P1 time (spent waiting for a trip request), drivers were actually engaged in “*other forms of work offered by app-based transportation platforms, such as food delivery [...], grocery delivery, or any other non-passenger transportation services*”.<sup>129</sup>

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<sup>121</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 37.

<sup>122</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 19.

<sup>123</sup> See the Intuit TurboTax and Intuit Quickbooks guide of tax preparation tips for rideshare drivers: <<https://d1nyezh1ys8wfo.cloudfront.net/static/PDFs/AB%2CON%2CSK+handbook.pdf>>.

<sup>124</sup> 2024.EX19.3. Attachment 1 [*On The Road*], pages 4, 35.

<sup>125</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 16.

<sup>126</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 20.

<sup>127</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 20.

<sup>128</sup> 2024.EX19.3. Attachment 1 [*On The Road*], pages 20–21.

<sup>129</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 36.

Beyond these errors and omissions, we note some other curiosities when travelling along *On The Road*'s chain of reasoning:

- The report notes that taxi driver earnings are potentially quite low (\$17.50 median, before costs) but does not follow this up except for noting it is a gap in the literature.<sup>130</sup> This is odd because Executive Committee's direction was to to "include analysis and consideration of driver wages in the forthcoming report on options regarding vehicle-for-hire licensing".<sup>131</sup> The authors do not explain why they chose to focus almost exclusively on the PTC sector rather than the entire vehicle-for-hire industry.
- The authors write that "*PTCs have strongly resisted minimum driver pay standards*",<sup>132</sup> despite that Uber Canada has advocated for provincial minimum driver pay standards since 2021.<sup>133</sup> In fact, BC's NDP government enacted a standard in 2024, and Ontario's Progressive Conservative government will enact a standard in 2025.
- The report does not consider, at all, the negative effects to riders and drivers of licensing policy and pay standards.
- The authors misrepresent Uber's role as a marketplace operator. The authors state that "*ridehailing companies depend on having a large pool of available drivers to minimize passenger wait times*".<sup>134</sup> But that is inaccurate. Uber's role is to match supply with demand. An imbalance on either of the equation degrades the overall health of the marketplace. Like any business, Uber has to please its customers: drivers and riders. This is why Uber works incredibly hard to ensure the marketplace is reasonably balanced—a task that is made exponentially more challenging when navigating ill-considered and ideologically-driven regulatory interventions.
- The authors write that "few [municipalities] have considered an open-entry market for taxis", pointing to Dublin, Ireland as the prime example.<sup>135</sup> But the Province of Québec deregulated the taxi sector in 2019, uploading regulatory responsibilities from the cities to the Société de l'assurance automobile du Québec. While the transition certainly had its hiccups, five years later there is both a thriving taxi sector and rideshare sector.
- In canvassing past studies of driver net earnings,<sup>136</sup> the authors do not even mention the most relevant and methodologically sound study, which was a Vancouver-based report in 2021 by the accounting and consulting firm Accenture.<sup>137</sup>

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<sup>130</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 10.

<sup>131</sup> Executive Committee, Item - 2024.EX12.1, 29 February 2024, <<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.1>>

<sup>132</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 15.

<sup>133</sup> Uber Canada, "A Modern Approach to App-Based Work in Canada", 10 March 2021, online: <<https://www.uber.com/en-CA/newsroom/a-modern-approach-to-app-based-work-in-canada/>>.

<sup>134</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 10.

<sup>135</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 13.

<sup>136</sup> 2024.EX19.3. Attachment 1 [*On The Road*], page 8.

<sup>137</sup> Accenture, "The driver experience: Profile and earnings of drivers on Uber in Vancouver between July 2020 and June 2021" (commissioned by Uber), 2021, online: <<https://uber.box.com/shared/static/8sr6dtpd67zhevzdr10d41gwzm7kim5g.pdf>>.

- The authors advocate for utilization standards without acknowledging that utilization standards have been a policy failure everywhere they have been attempted (New York City and Seattle).
- The authors' description of the New York City policy interventions is inaccurate, as discussed in the following section of this submission.

In sum, the *On The Road* report is plainly and obviously flawed, with basic methodological errors, admitted data limitations, and odd leaps of reasoning advocating for policy interventions that have failed elsewhere. The key takeaway is the report significantly overstates driver costs, resulting in an unrealistically low hourly earnings number that no rational rideshare driver would accept.

## **SCHEDULE “C” -** **Toronto is not New York City**

Comparisons of Toronto with New York City (“NYC”) are inappropriate. NYC **does not have, and has never had, a ridesharing category**. Whereas Toronto has had ridesharing for a decade.

In NYC, there are only 2 categories of vehicle-for-hire: taxis, and for-hire vehicle (essentially limos or black cars). In Toronto, there are 3 categories: taxis, limousines, and PTC vehicles.

In NYC, when a visitor opens the Uber app and selects the UberX trip option, they are actually requesting a licensed black car. Although the in-app product name is the same, an UberX trip in NYC is fundamentally different than an UberX trip in Toronto.

The NYC licensing regime is complicated, a result of decades of regulation layered upon regulation. In **Appendix 1** to this Schedule, we attempt to compare the key themes of NYC’s regulations with Toronto’s regulations.

The upshot is that NYC never capped the number of rideshare vehicles, since there were no rideshare vehicles to begin with.

NYC did attempt to regulate the “utilization rate” of black cars via a complex formula. The issue with this regulation—as with any regulation that requires compensation for P1 online time—is that it forces the operator of a brokerage or platform to *limit* the number of online drivers at a given time. It also forces operators to make drivers accept trips. Otherwise, everybody would log on and get paid for just sitting around and declining trip requests. As a result black car drivers in NYC are being blocked from going online in their apps when transportation supply outstrips demand, effectively replacing P1 time with offline time, and spurring driver protests.<sup>138</sup>

In fairness, the sheer complexity of NYC’s regulatory regime may be why the authors of *On The Road*, along with City Staff, confuse the facts of NYC’s policy interventions, which we discuss in **Appendix 2** to this Schedule.

There are also meaningful differences in the urban settings of the two cities:

- NYC has a population density of about 10,606 people/km<sup>2</sup>,<sup>139</sup> while the City of Toronto’s is less than half of that at about 4,428 people/km<sup>2</sup>.<sup>140</sup>

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<sup>138</sup> Evan Gorelick, “Uber Is Locking Out NYC Drivers Mid-Shift to Lower Minimum Pay”, *Bloomberg*, 24 June 2024, online: <<https://www.bloomberg.com/news/articles/2024-06-24/uber-is-locking-out-new-york-city-drivers-mid-shift-to-lower-minimum-pay>>; Renee Anderson, “Uber drivers in NYC say they’re being locked out of the app and losing money”, *CBS News*, 26 June 2024, online: <<https://www.cbsnews.com/newyork/news/uber-driver-lockout-protest-new-york/>>.

<sup>139</sup> <[https://www.health.ny.gov/statistics/vital\\_statistics/2020/table02.htm](https://www.health.ny.gov/statistics/vital_statistics/2020/table02.htm)>, converted from mi<sup>2</sup> to km<sup>2</sup>.

<sup>140</sup> Statistics Canada. 2023. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023. <<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E>>.

- The percentage of households owning at least 1 private automobile is about 45% in the Big Apple,<sup>141</sup> versus 72% in the Big Smoke.<sup>142</sup> Toronto is simply more car-dependent.
- The Metropolitan Transportation Authority runs the extensive NYC subway system (24 lines with 472 stations) 24 hours per day, 7 days per week, 365 days per year. By contrast, the TTC subway system (just 3 lines with 63 stations) runs from 6am to 2am, with different hours on Sundays and holidays. So it is easier for residents to get around without a motor vehicle in NYC.

For these reasons, 1:1 comparisons of Toronto to NYC are misleading.

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<sup>141</sup> <<https://wellango.github.io/posts/2021/06/who-owns-cars-in-nyc/>>;  
<<https://transalt.org/press-releases/less-than-two-months-before-congestion-pricing-new-data-analysis-from-transportation-alternatives-shows-new-yorkers-embracing-biking-and-rejecting-car-ownership-ahead-of-congestion-pricing>>.

<sup>142</sup> <[https://www.dmg.utoronto.ca/pdf/tts/2016/2016TTS\\_Summaries\\_GTHA.pdf](https://www.dmg.utoronto.ca/pdf/tts/2016/2016TTS_Summaries_GTHA.pdf)>.

**Appendix 1 - Comparison of New York City and Toronto regimes**

New York City:	Toronto:
<p>Each <b>driver</b> must get a Taxi &amp; Limousine Commission (“<b>TLC</b>”) driver licence, which allows them to operate a taxi, limo, Lyft, etc.—basically, a driver can do any for-hire commercial transportation with this single licence.</p> <p>With a unified licence, it is not uncommon for a driver to drive taxi for part of the day, and then switch to black car trips via Uber later in the day.</p> <p>The number of driver licences is unlimited.</p>	<p>Each rideshare <b>driver</b> must obtain a PTC Driver licence, facilitated through Uber. This only permits them to operate a rideshare vehicle on a PTC platform. Being a taxi driver requires a very different type of licence, and being a limousine driver requires yet another type of licence.</p> <p>Each driver has a separate PTC Driver licence for each PTC they are affiliated with; most drivers therefore hold multiple PTC Driver licences.</p> <p>The number of driver licences is uncapped for PTC Drivers—it’s also uncapped for taxi and limo driver licences.</p>
<p>The TLC requires a “<b>base</b>” licence. A “base” licence allows the holder to dispatch commercial for-hire vehicles. Each vehicle must be <i>affiliated</i> with 1 base; however, a vehicle may be <i>dispatched</i> by any base and dispatch is not limited to the base with which it is affiliated.</p> <p>There are 4 categories of licence:</p> <ul style="list-style-type: none"> <li>● Taxi garage → permits taxis to be affiliated</li> <li>● 3 types of <b>base</b> licences: <ul style="list-style-type: none"> <li>○ Black car → can dispatch <i>any</i> type of vehicle; this is the most popular these days, and Uber has this type of licence.</li> <li>○ Luxury limo → can dispatch luxury limousines; is less common these days.</li> <li>○ Livery → allows for dispatch by telephone as in times of yore.</li> </ul> </li> </ul> <p>The number of bases is uncapped, and there are currently around 764 total bases.</p>	<p>Each <b>PTC</b> must be licenced to operate an app. The PTC licence does not permit dispatch of taxi or limousines, which requires a taxi brokerage licence and a limousine service company licence respectively.</p> <p>The number of PTCs is uncapped. The number of taxi brokerages and limousine service companies is also uncapped.</p>
<p>Each <b>vehicle</b> must have a commercial vehicle licence. As mentioned, each vehicle must be associated with 1 base, but can be dispatched by any base that is permitted to dispatch that vehicle type. Vehicles must meet certain safety standards.</p>	<p>The City does <b>not</b> licence PTC vehicles. In order to obtain a PTC Driver licence, the driver’s vehicle must meet certain quality and safety standards.</p> <p>By contrast, individual taxi vehicles and limousine vehicles must be licensed,</p>

<p>There are multiple categories of vehicle licence including:</p> <ul style="list-style-type: none"> <li>● For-hire vehicle (“<b>FHV</b>”) licences: <ul style="list-style-type: none"> <li>○ Black car → this is the most common. <ul style="list-style-type: none"> <li>■ A subset of black car is “Street hail livery” which is a Black car (painted green) that can accept street hail if it is outside the city’s central “hail zone”.</li> </ul> </li> <li>○ Luxury limo → self-explanatory, and has higher insurance</li> <li>○ Livery → subject to historical rules such as posting a livery passenger bill of rights in the vehicle, parking only in certain spots, etc.; is becoming less and less common.</li> </ul> </li> <li>● Taxi vehicle (medallion taxicab) licences<sup>143</sup>: <ul style="list-style-type: none"> <li>○ Yellow cabs are only ones that can accept street hails inside the central business district “hail zone”</li> <li>○ Cannot be dispatched (except through a specific e-hail program) → Uber will sometimes send a ‘referral’ to a specific e-hail provider when there is a request for a trip through the Uber app.</li> </ul> </li> </ul> <p>Any of these vehicle types may fulfil a request for a trip at the UberX price point.</p> <p>Many vehicles are owned by fleet owners (in turn owned by hedge funds, etc.). This leads to licensed vehicles being on the road 24/7.</p> <p>For several years there has been a moratorium on issuing new for-hire vehicle licences, except for WAV vehicles and certain EVs. This leads to the ability of vehicle owners to charge regulatory rents for access to vehicles.</p>	<p>independently of the vehicle driver licences.</p> <p>Because there is no cap on the number of PTC drivers, there is no cap on the number of vehicles.</p> <p>The number of limousine vehicle plates is not capped.</p> <p>The number of taxi vehicle plates is capped.</p> <p>Consequently, Toronto has struggled in the past with plate-holders extracting very high regulatory rents from non-plate-owning drivers. This has resulted in the creation of subcategories of non-transferable licences requiring the holder to also drive the vehicle (Ambassador), and then the subsequent transition back to transferrable non-owner-operated licences.</p> <p>The majority of licensed PTC Drivers own or lease the vehicle they use. Chapter 546 requires drivers to provide proof of ownership, or of permission to use the vehicle.</p> <p>A minority of PTC Drivers choose to rent vehicles, including a significant number of electric vehicles, from third-party rental companies such as Hertz, Autzu or Louelec.</p>
<p>Each vehicle must have its own <b>commercial insurance</b>. This imposes a significant cost on the vehicle owner.</p>	<p>Vehicles must maintain at least \$2M for personal injury and property damage during commercial time periods either via an umbrella insurance policy (PTC) or fleet or individual policy which is more commonly found with taxi.</p>

<sup>143</sup> NYC TLC taxi regulations available at [https://www.nyc.gov/assets/tlc/downloads/pdf/rule\\_book\\_current\\_chapter\\_58.pdf](https://www.nyc.gov/assets/tlc/downloads/pdf/rule_book_current_chapter_58.pdf).

**Appendix 2 - Correcting the record about NYC's policy interventions**

On The Road report	Real facts
"The second municipality to consider a cap on PTCs was New York City"	NYC has only ever had licensed taxis and black cars, not PTCs.
"[T]he first major North America city to approve legislation calling for a temporary one-year freeze on new for-hire vehicle licenses [...]. This legislation also allowed the city to set a minimum pay rate for drivers".	(i) The legislation was initially one year, but empowered the regulator to review and extend it upon a mandatory annual review. The moratorium remains to this day. (ii) It was separate legislation that allowed the regulator to set a minimum pay rate.
"In response to the cap and pay standard, which came into effect in February 2019, both Uber and Lyft announced that they would not accept new drivers."	Uber created a waitlist after the earnings rule was promulgated. The vehicle license matter is separate. In any case, the City continued to issue driver licenses, which allow for operation of both taxis and FHV's.
"[The cap and pay standard] led to more rides per hour for existing drivers and in turn to higher driver earnings, as PTCs typically compensate drivers only when passengers are in their vehicle."	No support for this fallacy. Compared to 2018, before the pay rule and cap, average monthly trips per vehicle are down, average daily trips per vehicles is down, trips per hour is down, and overall utilization is down.
"After implementing the licensing cap and minimum pay standard, drivers' wages were found to increase by 8%, while passenger wait times decreased by 18% and PTC commission rates fell by an average of 16.7%, indicating that the companies absorbed some of the increased costs (Manzo and Bruno, 2021; Koustas et al., 2020)."	(i) This research (it is only one piece, as the Manzo and Bruno paper just cites Koustas et al.) looks at June 2019 as its post period, a time when companies were using significant incentives to boost demand and increase utilization while gating solutions did not exist. This is not representative of the long term outcome. (ii) The change in wait times is highlighted, but not the increase in rider fares (which are also underestimated but still increased in that research).
"PTC companies compete, in part, by minimizing passenger wait times, which may partially explain the reduction in wait times observed after the introduction of the licensing cap."	No support for this fallacy.



2024.EX19.4. [2024 Staff VFH Report]	Real facts
<p>“In 2018, New York City Local Law 147 was adopted, which paused the issuance of new For-Hire Vehicles (inclusive of taxis, limousines and PTCs) licences, for one year.”</p>	<p>(i) There has never been a moratorium on taxi vehicle licences, although since the 1930s there has been a fixed number of taxi vehicle licences.  (ii) NYC has never had PTC vehicles. PTC/TNC vehicles are only permitted to operate in New York State outside NYC.</p>
<p>“While roughly 10,000 to 11,000 new vehicle licences were issued specifically to ZEVs in 2023, the TLC decided to once again pause the general issuance of For-Hire Vehicle licences in February 2024, except for WAVs.”</p>	<p>The reason for the Taxi &amp; Limousine Commission stopping issuing licences to ZEVs was litigation by the New York Taxi Workers Alliance (NYTWA).<sup>144</sup></p>

<sup>144</sup> <[https://www.nyc.gov/assets/tlc/downloads/pdf/industry-notices/industry\\_notice\\_23\\_09\\_english.pdf](https://www.nyc.gov/assets/tlc/downloads/pdf/industry-notices/industry_notice_23_09_english.pdf)>.