



December 9, 2024

City of Toronto
Executive Committee
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Subject: EX19.4 - 2024 Review of the Vehicle-for-Hire By-Law and Industry

Dear Members of the Executive Committee,

On behalf of the Toronto Region Board of Trade (the Board), I am writing to share our perspective on the City's 2024 Review of the Vehicle-for-Hire (VFH) By-Law and its implications for Toronto's transportation network.

The Board has a longstanding commitment to addressing regional congestion and enhancing economic productivity by supporting the efficient movement of people and goods across the Greater Toronto Area (GTA). Earlier this year, we convened a business-led Congestion Task Force to identify practical, multi-modal solutions to the region's congestion crisis, drawing on cross-sector expertise. As Canada's fastest-growing city, Toronto is at the epicenter of regional transportation activity, and its policies must reflect the needs of both local and regional users to create a livable, sustainable, and economically vibrant city.

The Strategic Value of VFH Services in Toronto

Amid Toronto's congestion challenges, VFH services have become an essential part of the city's mobility ecosystem. They provide vital "last mile" connections to transit hubs, addressing gaps in our underdeveloped and under-resourced transit network. For instance, according to Uber, 56% of Toronto Uber riders reported using ride-hailing services to connect to public transit at least once in the past year. This demonstrates their integral role in supporting multimodal transportation and enabling better access to transit options where direct service is lacking. As the City's report notes, "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."

Additionally, VFH services are a viable alternative to personal vehicle ownership, particularly for households without vehicles. This trend contributes to fewer cars being added to Toronto's congested road network, enabling new developments to include fewer parking spaces, ultimately lowering construction costs and improving housing affordability.

Systemic factors such as growing travel demand and historically lagging investments in transportation infrastructure have exacerbated Toronto's downtown congestion. In this context, VFH services provide essential mobility options that help alleviate pressure on both the road and transit networks while enabling residents to reduce reliance on personal vehicles.

In addition, it is important to recognize that if one of the objectives of the ride-share cap is to reduce the number of cars on the road, this outcome is unlikely to materialize—at least not until Toronto develops a more accessible and reliable transit system that provides an efficient alternative. In the absence of such a system, ride-share services will remain a critical mobility option, particularly for residents in areas with limited transit access.

Sustainability and Equity Considerations

We commend the City's decision to include exemptions for zero-emission and wheelchair-accessible vehicles in the updated framework. This is an important step toward integrating sustainability and equity into policy decisions, aligning with broader environmental and accessibility goals. However, as with any major change, it will be critical to closely monitor the outcomes of these policies to ensure they deliver on their intended promise while avoiding unintended consequences.

Addressing Cruising Rates for Ride-Share Vehicles

Cruising—where ride-share vehicles drive without passengers while waiting for or seeking their next ride—remains an inefficiency within Toronto's VFH ecosystem. In September 2024, 33% of the distance traveled city-wide (and 23% downtown) by ride-share vehicles was spent cruising. While this marks an improvement from pre-pandemic levels of 39% in February 2020, it remains above benchmarks from cities with more advanced traffic management strategies. Through further collaboration between the City, ride-sharing companies, and other stakeholders, we believe a targeted effort to reduce cruising where it most affects congestion has the potential to create significant improvements in the transportation system.

In conclusion, the VFH industry is an indispensable part of Toronto's transportation landscape, providing flexibility and accessibility for residents while reducing dependency on personal vehicles. The Board's upcoming Congestion Task Force Action Plan will present a comprehensive view of Toronto's congestion challenges, balancing immediate relief with long-term innovation and partnerships. We strongly recommend that the City's updated framework ensure these services continue to enhance mobility, reduce congestion, and align with Toronto's sustainability and equity objectives.

We look forward to continuing collaboration with the City of Toronto and the VFH industry to ensure that our region's transportation policies meet the needs of residents, businesses, and the broader community.

Sincerely,

Roselle Martino



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