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Capping the Number of
PTC Vehicles

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Province of Ontario (“Province”) and City of Toronto (“City”) Governments

The City might look into capping the number of Private Transportation Company (“PTC”) vehicles if only to give the appearance that they truly care about the safety of the consumer or the social contract that exist between them and their taxi industry, but do not look for any substantial reduction in the numbers as that would mean their licensing revenue stream would be reduced. So, if the number of vehicles is not significantly lowered, then the capping will be ineffectual, which was the approach in New York City.

If the truth be known, this topic should have never needed any discussion. Approximately six years ago, a PTC named Hailo who also provided transportation that was arranged and coordinated through an electronic platform, arrived in the City requesting permission to operate a vehicle-for-hire business.

The City mandated through rules and regulations that Hailo must have a broker’s licence, could only use City licensed taxicabs and taxicab drivers, along with no permission to increase the number of vehicles from any perspective outside of City licensed taxicabs and taxicab drivers in relationship to their operations. What happened to that policy when Uber technology arrived on the scene a year or two later?

Well, let me enlighten you. Uber came to Toronto with pockets full of money and hired the best lobbyists money can buy amongst other things and the following ensued:

- Had meetings with Mayor Tory, influential councillors and senior ML&S staff;
- They convinced the City to disregard the policy that had been implemented for Hailo;
- While discussions were ongoing with the City beginning in and around 2013, which took about three years, they were allowed to operate with impunity, without regulation or fear of accountability;
- They were allowed unfettered vehicle access into a taxi market that had been regulated for decades to not only protect the consumer, but to give the taxi industry member a reasonable opportunity to earn a living;
- They presented a report of recommendations that they would like to see implemented by the City regarding their business; and

- When the by-law for their inclusion was enacted on July 15, 2016, many of Uber's report recommendations were adopted, which gave their drivers special considerations that were not afforded to any taxi industry member.

So, what did the City try to do to stop them? They applied for an injunction on grounds that no court would have accepted, making this look like the City really cared about what was going on surrounding Uber, which it was obvious they did not and showed the City had a hidden agenda surrounding the future for their taxi industry.

Since they had rules and regulations in place for Hailo at that time, all that was required was for the City to apply them to Uber and if they were in violation, charge them in the courts, but they never once took Uber to court for any violations. When you consider Toronto's taxi industry is already saturated with taxicabs, how Uber and eventually other PTC's were allowed to enter this industry was criminal at best.

As of August 2018, the ML&S reported there are 186 plates on the shelf and when you couple that number with about 300 to 500 sitting on the desks of fleet and brokerage operators, it adds up to as many as 700 plates are not in service. Do we really need 55,000+ more PTC vehicles on the streets of Toronto to adequately service the taxi using public? I think not.

As of November 2017, the following are the approximate number of legally licensed Vehicles-for-Hire ("VFH") in the City (*There are a few hundred illegals as well.*)

- PTC vehicles – 54,000+;
- Toronto taxicabs – 5,500;
- Toronto limousines – 1,200;
- Licensed Greater Toronto Airport Authority ("GTAA") taxicab and limousines – 850;
- Totals Approximately – 60,997 licensed vehicles for hire with the PTC vehicles growing exponentially on a daily basis.

Most responsible municipal governments use a per capita licensing issuing formula of about 1-per-1,000 to 1-per-1,200 and in the case of the City it was 1-per-850 because of the size of the area it covers; visitation to a major city; major sporting events; major theatre attractions and conventions, just to name a few of the reasons for their formula being lower.

The City in its infinite wisdom changed the per capita formula, which had worked famously for decades, to an indicator model stating it was a better way to tell the number of taxicabs needed. There is no way an indicator can tell the number of taxicabs required as the numbers of all the different entities I previously mentioned were never canvassed to see what the approximate percentage of those groups used taxicabs.

According to Statistics Canada the present population of Toronto is 2,731,571. If you divide the present number of vehicles for hire, which is approximately 60,997 at the last count in November 2017 into the present population you come up with a per capita formula of 1-per-61, which is an insanely low per capita formula not affording anyone an opportunity to earn a living and with those numbers of vehicles and only about 10 to 12 by-law inspectors to enforce the governing by-law, consumer protection no longer exists.

Although I feel we need to go back to the policies that were in place for Hailo, I am a realist and I know that will never happen so I must, through data and my experience, come up with a solution that I am sure no one will totally agree with, as it will not favour either group involved in this dispute.

It will in my opinion, get us as closer to a fair and level playing field and with industry input, perhaps we can achieve the optimum number of required vehicles that will meet the taxicab's economic viability and sustainability, which was added as a fourth key principle to the last taxicab reformation at a City Council meeting on October 2, 3 and 4, 2012.

The following are my recommendations to resolve the over saturation of vehicles for hire in the City of Toronto. What first needs to happen is the self-regulation powers given to PTC companies be immediately revoked because the only way that the City can responsibly control the numbers is by the City issuing the licenses, not the PTC's.

Remembering that PTC drivers use this business to supplement their incomes, not to earn their living in the industry, put a PTC vehicle cap of 10,000 vehicles allowed and since there are 5 licensed PTC's, that works out to 2,000 per PTC brokerage licence. Those numbers can be altered by using consumer usage data. The 10,000 licenses can be proportionately issued to reflect the number of consumers their app is showing using their electronic platform, which can be adjusted on an annual basis, but the total number can never exceed 10,000.

In my heart of hearts, I believe 10,000 is way too much, but I had to factor in that not all 10,000 would be working at the same time so it is feasible that the number could work out to 5,000 or less on the road at any given time, which still gives the PTC's a good opportunity to profit from their businesses.

Unlike a taxi owner's licence, the PTC licence cannot be sold or transferred and when the recipient of the licence wishes to leave the industry, the plate is handed back to the ML&S for re-issuance. Since they are defined as operating in a taxi business by the federal Excise Tax Act, they must abide by all of the by-law rules surrounding taxis when it comes to required equipment such as an in-car digital camera and an emergency lighting system and their vehicles must conform to what is allowed to be used for taxicabs.

All vehicle owners licences, the suggested 10,000 PTC's, the 5,500 taxicabs and the 1,200 limousines are immediately frozen until the numbers reflect a 1 per 850 per capita licensing issuing formula or the City, through industry consultation, can prove the need for additional licensing.

Using the 10,000 PTC vehicles; the 5,500 taxicabs; 1,200 limousines and the approximately 850 GTAA vehicles, this now adds up to 17,550 licensed vehicles for hire. When this number is divided into the present population of the City you now have a 1 per 155 per capita fleet, which is still way too low.

If you believe as I do, that there are in many cases half of the fleet on duty at any given time especially early in the morning or late in the evening, that per capita formula would then become 1 per 310, which although is still too low, would dramatically increase in short order if the licensing is frozen and the population of the City keeps steadily increasing as it has for years.

Is it a perfect resolution to the required numbers we need to not only earn a living, sustain our industry and ensure quality consumer service and protection? Perhaps not, but it is a place to start the process and we need to address this right now if anyone is to survive, other than the PTC's themselves who benefit from this the most and I guarantee will be hollering the most at any capping idea.

There are other cities using the capping idea such as Kingston Ontario and New York City and London England soon to follow. Something must be initiated in this area if the taxi industry is to survive and since this is shall we say, the soup de jour, we had better start eating it, at least until some other solutions surface.

I remain,



Gerald H. Manley