

June 20th, 2019

General Government and Licensing Committee
City of Toronto
Toronto, Ontario

Re: TAF Comments on the Vehicle-for-Hire Bylaw Review (GL6.31)


Dear Committee Members,

The Atmospheric Fund believes that, with respect to climate change and air quality, the proposed bylaw amendments would take Toronto in the wrong direction. ***The proposed amendments would eliminate all environmental standards for the vehicle-for-hire industry, precisely when Toronto should be strengthening these standards in response to the climate emergency.*** This proposal would undermine Toronto's ability to meet its climate commitments, effectively eliminating the city's ability to control one of the fastest growing sources of carbon emissions and air pollution. ***We urge the Committee to reject recommendations 77 and 78, and instead adopt the recommendations outlined below to strengthen low carbon standards for the vehicle-for-hire industry.***

General Comments

Transportation accounts for 35 per cent of carbon emissions in Toronto, and traffic-related air pollution causes an estimated 280 premature deaths and 1,100 hospitalizations every year.¹ The vehicle-for-hire industry is the fastest growing source of transportation emissions. ***The number of vehicles-for-hire registered in Toronto has increased by over 500% over the past five years.*** Based on current trends, we estimate vehicle-for-hire emissions are growing by at least 40,000 tonnes annually, and are likely to double over the next five years. Clearly, air pollution and carbon emissions from vehicles-for-hire are a major concern.

¹ Toronto Public Health. Path to Healthier Air: Toronto Air Pollution Burden of Illness Update. Technical Report. April 2014.



The explosive growth of the vehicle-for-hire industry is driven almost entirely by Private-Transportation Companies (PTCs), whose ridership has grown by 180% in the last 2.5 years. This growth is expected to continue, likely exceeding 300,000 daily trips within a few years. According to survey data, most PTC trips would be made by transit or active transportation if ride-hailing services weren't available. Furthermore, ***the average PTC vehicle is 20% less fuel efficient than the average taxicab.*** That's partly because taxicabs have been required to meet City-specified fuel efficiency standards for the past five years, while PTC vehicles have been exempted.

TAF has long recommended extending vehicle emissions standards from taxicabs to the broader vehicle-for-hire industry, including PTCs. PTC emissions now dwarf those of the taxicab industry, undermining the intent of the emissions standards. ***A public survey commissioned by the City found 87% support for extending vehicle emissions standards to PTCs*** - stronger support than for any other potential feature of the bylaw!

Yet ***instead of updating the vehicle emissions standards and extending them to PTCs, the proposed update would eliminate emissions standards altogether.*** The report does not include any analysis of the carbon impacts of this recommendation. Furthermore, in 2016, ***Council directed MLS to develop an incentive program*** for low emissions vehicles as a complement to the standards. ***Three years later, there has been no progress on developing an incentive program,*** and the report suggests several more years of study are required.

In summary, the proposed bylaw update not only fails to move Toronto forward on addressing carbon emissions and air pollution from vehicles-for-hire, it would take Toronto a huge step backward. With that in mind, we urge the Committee to consider the below recommendations.

Recommendations

- 1) Delete recommendations 77 and 78
- 2) Add a new recommendation to amend the definition of a low-emission vehicle to update and simplify the requirements to read as follows:

LOW-EMISSION VEHICLE - a vehicle with low emissions of greenhouse gas as indicated by:

(1) For vehicles with seating capacity for five or fewer passengers plus the driver, a Combined Fuel Consumption Rating of 7.6 or fewer litres per 100 kilometres;

(2) For vehicles with seating capacity for six or more passengers plus the driver, a Combined Fuel Consumption Rating of 10.8 or fewer litres per 100 kilometers.


TAF recommends moving the standard from the current combined fuel consumption rating of 8.4 litres per 100 km to 7.6 litres per 100km or fewer. The current requirement was set in 2014 and was intended to be updated annually but has never been updated². Moving the standard to 7.6 litres per 100km brings the standard in-line with what the majority of taxicab operators are already doing voluntarily at time of vehicle replacement. Additionally, this revised definition simplifies the requirements to avoid reference to `full useful life emissions bin` ratings. Some taxicab operators have objected to the bin requirements as the relevant ratings data are not easily accessible. Suitable combined fuel consumption ratings are sufficient to address both air quality and carbon emissions (which are strongly correlated).

Additionally, we recommend the establishment of a separate fuel consumption standard for 6+ passenger vehicles (i.e. minivans). Minivans play an important niche role in the industry, accommodating larger groups, but there is currently only one vehicle on the market that meets the current fuel consumption standard. We recommend a minivan specific standard of 10.8 litres per 100km or fewer (combined fuel consumption rating), which would allow for a number of options for the industry. Accessible vehicles should continue to be exempted for the time being given the limited range of options available and the importance of improving accessibility.

3) Add a new recommendation that City Council direct the Executive Director of Municipal Licensing and Standards to consult with stakeholders and report back within 6 months with proposed amendments to extend low-emissions standards to PTC and limousine vehicles.

The continuing exemption of PTCs and limousines from the low-emissions vehicle standard undermines the environmental benefits of the standard. It also undermines the City's efforts to move towards more consistency and fairness in the regulatory requirements for vehicles-for-hire. However, given that there has been no consultation or research to date as to how to apply low-emissions standards to PTCs or limousines, it may be premature to apply a standard immediately as part of the current update. We therefore

² With the exception of a minor update in 2016 to incorporate NRCan`s updated methodology for rating fuel consumption.



recommend that the City undertake a research and consultation process on how to apply low-emissions standards across the vehicle-for-hire industry. It is not clear at this time if any substantive changes are needed to adapt the low-emission standards to PTCs and limousines, but the question should be explored.

4) Add a new recommendation that City Council direct the Executive Director of Municipal Licensing and Standards to consult with stakeholders and report back within 18 months with a plan for transitioning the vehicle-for-hire industry to zero emissions vehicles by 2030, including a schedule for future updates to the low-emissions standards as well as consideration of a complementary incentive program.


The low-emissions standards should become more stringent over time, in alignment with the City's TransformTO climate plan and targets. The schedule for future increases should be set well in advance, to provide the vehicle-for-hire industry with the time required to plan for compliance. The schedule can be reviewed regularly to ensure it remains reasonable in relation to available vehicle technology.

TAF supports consideration of an incentive program as a complement to the low-emissions standards, as Council has previously directed. Incentives for plug-in hybrid electric vehicles or battery electric vehicles, and/or related charging stations, would encourage early adopters to demonstrate the suitability of these vehicles as vehicles-for-hire. However, incentives are not a replacement for minimum standards.

Conclusion

The vehicle-for-hire industry is a critical part of Toronto's transportation system, and has the potential to play an important role in the transition to a low-carbon future. However, absent appropriate regulation, the explosive growth of the industry will continue to increase carbon emissions and air pollution. Without emissions standards, TAF projects that vehicle-for-hire industry emissions will double to over 350,000 tonnes per year by 2025.

The City has the required regulatory authority to transition the industry first to hybrid vehicles and subsequently to plug-in hybrids (PHEVs), and eventually battery electric vehicles (BEVs). In addition to the direct impact, the adoption of PHEVs and BEVs in the industry can help to accelerate the transition in the broader transportation sector by normalizing the technologies and generating investments in charging infrastructure.



We appreciate the opportunity to provide input on this important policy and we look forward to continuing to work with the City on reducing carbon emissions and air pollution from vehicles-for-hire. Please don't hesitate to contact us directly should you have any questions.

Sincerely yours,

Bryan Purcell
Vice President - Policy and Programs
The Atmospheric Fund

The Atmospheric Fund (TAF) is a public agency established in 1991 by the City of Toronto and endowed by the City and the Province of Ontario. TAF works closely with stakeholders across the Greater Toronto and Hamilton Area (GTHA) to test and advance innovative solutions to climate change and air pollution. However, the views expressed in this submission do not necessarily represent those of the City of Toronto, the Province of Ontario or other GTHA stakeholders.



Appendix: Issue History regarding carbon emissions and vehicles-for-hire

In 2007, City Council adopted a motion calling for development of a “program for shifting all taxis and limousines operating in the City to low emission or hybrid technologies by 2015 or earlier, based on the results of the Green Taxi Pilot” funded by TAF. However, a program was never developed and no action was taken until 2014.

In 2014, City Council adopted a motion requiring “all taxicab vehicles be transitioned to alternative fuel and/or hybrid vehicles at the scheduled time of replacement.” The initial performance standard was set by staff at 8.4 or fewer litres per 100km, which is nowhere near the fuel economy of a hybrid vehicle (<6 litres per 100km). TAF was told the intention was that it would become more stringent over time to transition the industry to hybrid or equivalent performance. However, the standard has not been updated over the past five years, and is increasingly out-of-date.

In 2016, City Council adopted the new Vehicle-for-Hire Bylaw which created a regulatory structure for PTCs. The Vehicle-for-Hire Bylaw exempts PTCs from the taxicab emissions standard, although City Council requested a report back by 2017 on a “program to reduce vehicle emissions in the ground transportation industry.” This report was never provided.

In 2017, City Council adopted a goal of transitioning 100% of transportation options to low or zero-carbon energy sources by 2050 as part of TransformTO. The detailed Transform TO strategy calls for 100% of replacement vehicles to be fully electric by 2030.