



Insurance
Travel
Roadside
Rewards

February 10, 2021

Orest Katolyk
Chief, Municipal By-law Enforcement
City of London
300 Dufferin Avenue
London ON, N6A 4L9

Sent by e-mail:
okatolyk@london.ca

Dear Mr. Katolyk:

RE: CAA's position on municipal licensing of tow trucks

The Canadian Automobile Association (CAA) is the country's largest a not-for-profit automobile association. We have been proudly helping Canadians stay safe, mobile and protected for over 115 years. CAA remains committed to voicing the concerns of our 2.5 million Ontario Members, and to being an advocacy leader on issues relating to road safety, infrastructure, and transportation.

Since 2019, CAA has met with London City Councillors Lewis, Helmer, Hillier, Pelosa and Lehman, London Police Service's Sergeant Robert Tubrett, and Nicole Musicco of your staff, regarding concerns about the towing industry. Most recently, we had the opportunity to participate in the industry consultations of January 14, 2021 and February 4, 2021 via Zoom. Based on these meetings, I am pleased to submit CAA's comments for the City of London's proposed towing by-law.

Incidents of "chasing" and of vehicles being held hostage at impound lots had been occurring in London, but were not brought to light until Councillor Shawn Lewis gave it due attention in early 2019. Chasing is a common phenomenon driven by various police forces' use of the "first available" directive, which prioritizes lane clearance and reopening roads most expeditiously. Unfortunately, structural incentives entrenched by this directive lead to dangerous driving by some tow operators rushing to the scene, and have even resulted in altercations between tow operators, in extreme circumstances.

From a consumer protection perspective, chasing preys on vulnerable motorists in a dangerous situation at the roadside. It hurts consumers directly (in the form of forced, lump-sum payments for storage services they may not have requested) and indirectly (in the form of excessive charges being billed to insurance companies, who consequently raise their premiums). Unfortunately, this practice persists because it is financially lucrative. Besides the vehicle conveyance and storage revenues, unscrupulous tow operators stand to benefit from referral fees to other services in the collision value chain, such as autobody repair shops, physiotherapy and rehabilitation services, and personal injury lawyers.

In CAA's experience, municipal tow truck licensing has not reduced occurrences of chasing or the number of vehicles being held against owners' will at impound lots, because enforcement measures have not been sufficiently robust. For example, one GTA municipality's by-law enforcement officers are plainclothes, use their own personal vehicles, and do not have the authority to stop tow trucks. In another, staff of that municipality quickly realized that the anticipated revenues from licensing fees would not be enough to recover the administrative costs of their proposed licensing system, due to the low number of anticipated obligated parties to the by-law.

CAA believes that the solution to tow truck chasing—and increased consumer protection—lies at the provincial level in the form of tow truck licensing. Currently, there is no standardized certification, training curriculum, or equipment standard for the tow industry in Ontario. The lack of provincial oversight has led to a patchwork of municipal towing by-laws, which presents in the form of inconsistent prices and processes between adjacent jurisdictions. This hurts consumers, as they would be expected to not only know the specific tow licensing by-law of the municipality(ies) they are driving through, but also to have a clear mind of it after a traumatic event such as a collision. A provincial license would prevent "policy leakage," where an obligated party can simply move their business to a municipality where they would not be subject to regulation or licensing by-laws. In addition, the province has more comprehensive resources and authorities to administer and maintain an industry licensing system than any individual municipality or patchwork of municipalities would. More

information on CAA's proposed framework for a provincial tow licensing system can be found at moresafetows.ca as well as in our August 2020 [Towing Industry Provincial Townhall Webinar](#).

We appreciate that Council and Staff are compelled to take municipal action to protect the consumer rights of London's motorists from predatory tow operators. It is difficult to justify waiting for provincial action, while the number and severity of predatory towing transactions and experiences reported by motorists continue to grow. Consequently, CAA's proposal for a towing by-law in the City of London is as follows:

- Do not create a municipal licensing system
- Duplicate the towing non-solicitation portions from the Ontario Highway Traffic Act at the municipal level. Other top-tier municipality examples include the [Regional Municipality of Waterloo By-Law Number 16-023](#) and the [York Region BY-LAW NO.R-1040-94-67](#) (which has had their non-solicitation by-law in place since 1994)
- Ensure consistent and robust enforcement of the municipal non-solicitation by-law from London Police Service and relevant OPP detachment(s). Law enforcement entities need to be active participants in the efforts and discussions in creating a municipal non-solicitation by-law, to address the concerns of the towing industry surrounding towing police contracts, because City Staff and Council are understandably not at liberty to speak on a contractual matter to which they are not party.
- Implement the non-solicitation by-law as a one-year pilot project to collect data, conduct citizen/consumer and industry studies, and to have Staff report back to Council with findings, before proceeding with adjustments after the pilot, if needed
- Support the [Ontario provincial task force](#)'s efforts to improve oversight of the towing industry. The task force's mandate is to develop a regulatory model to increase safety and enforcement for consumers and industry alike.

I would most appreciate the opportunity to meet with you and Ms. Musicco by Zoom in the coming days, to discuss this topic further. CAA looks forward to continued collaboration with the City of London, in the interest of consumer protection for London's motoring public.

Thank you for the opportunity to provide feedback, and for your considerations to the above-noted proposals.

Sincerely,



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cc: Nicole Musicco, Coordinator, Licensing Administration & Policy (nmusicco@london.ca)
Community and Protective Services Committee (cpsc@london.ca)
City Clerk's Office (askcity@london.ca)