



Insurance  
Travel  
Roadside  
Rewards

February 26, 2021

Community and Protective Services Committee  
City of London  
300 Dufferin Avenue  
London ON, N6A 4L9

Sent by e-mail:  
[cpssc@london.ca](mailto:cpssc@london.ca)

Dear Community and Protective Services Committee,

**RE: CAA's position on municipal licensing of tow trucks in the City of London**

The Canadian Automobile Association (CAA) is the country's largest not-for-profit automobile club, 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 being an advocacy leader on issues relating to road safety, infrastructure, and transportation.

CAA understands that London City Council has instructed staff to come up with a regulatory solution to curb the occurrences of predatory towing behaviour and to increase consumer protection. Through various stakeholder consultation sessions as well as meetings with by-law staff, councillors and London Police Service since 2019, CAA appreciates that the City cannot wait for provincial oversight of the industry and has decided to take on a municipal licensing system instead.

Based on our conversation with staff (Orest Katolyk and Nicole Musicco) on February 16, 2021, vehicle impound lots ("pounds") present a challenge to consumer protection. In many consumer complaints, vehicles in need of a tow are impounded for days against their owners' will, and then released with significant charges for storage costs, in addition to costs for the initial tow. Staff expressed that they believe pounds should be licensed, as well as tow companies. Previous by-law enforcement efforts of pounds, brought about due to Councillor Lewis' attention to the issue, centered on land use and zoning compliance requirements, but did not deter the practice of towed cars being held for excessive storage fees.

CAA does not believe that requiring tow truck companies, drivers, and/or tow trucks to be licensed municipally will reduce the occurrence of tow trucks "chasing" on London's municipal roadways. Since, per staff, the overcharging of storage fees by pounds is the central issue, it is CAA's belief that pounds should be licensed municipally. We understand that staff's perspective is that tow companies are inextricably linked to pounds, which is why they both must be licensed. CAA respectfully disagrees. Based on CAA's data, a very small, single-digit percentage of calls are for collisions. The vast majority of calls are for breakdowns, light service (i.e. battery boost, flat tire, etc.), and most of them have a preferred destination (e.g. collision reporting centre, car dealership, neighbourhood mechanic, vehicle owner's residence). In fact, half of CAA's contractors operating in the City of London do not have pounds, do not use pounds as part of their business model, and consequently do not charge storage fees. This goes to show that pounds are inextricably linked to tow companies—not the other way around—and that licensing the entity at the source of staff's consumer protection concerns (in this case, pounds) is most appropriate.

Staff shared in the February 4, 2021 tow industry consultation, as well as on CAA's meeting with staff of February 16, 2021, that the current draft of London's towing by-law includes a clause to prohibit solicitation within 200 m, *only if there are already enough tow trucks present at the collision scene*. For example, the third tow truck showing up to a two-vehicle collision would be in contravention, but the first and second tow trucks would not. CAA does not condone this modified version of the non-solicitation clause drawn from the Ontario Highway Traffic Act section 171, which prohibits tow trucks from making or conveying an offer their services within 200 m of a collision scene. **The modification presented in London's draft by-law, which allows for the first  $n$  tow trucks to make or convey an offer of their services within 200 m of a collision (where  $n$  is the number of vehicles involved in the collision in need of tow services) compels tow operators to rush to the scene, so that they are among the first  $n$  tow trucks.** There are documented cases (attached) of secondary collisions, as well as harm done to vulnerable road users, due to tow truck drivers rushing to a reported crash. Consequently, as an ardent advocate of road safety, CAA cannot support any regulation that incentivizes

tow trucks to chase collisions. We respectfully ask this Council to consider all the unintended consequences of implementing the provision as drafted.

Staff also shared with CAA that they believe an Administrative Monetary Penalty System (AMPS) will sufficiently compel compliance with a tow licensing regime at the municipal level, thereby improving consumer protection by decreasing the occurrence of unwanted vehicle storage and related overcharges. CAA, again, respectfully disagrees with this concept, as enormous enforcement resources would need to be concurrently deployed with the by-law. This is unlikely to happen: in our meeting, staff estimated that thousands of minor collisions in London annually were not attended by police, because drivers are expected to self-report at collision reporting centres (CRCs) if the damage is estimated to be less than \$2,000. Without police attendance, it would be difficult to cite a tow operator on a by-law infraction. In the same conversation, staff also confirmed that London's by-law enforcement officers do not attend collision scenes, and generally conduct by-law enforcement between 8:00 am and 4:30 pm. It is not reasonable to expect motorists who have been in a collision to participate in the enforcement of a by-law designed to protect them, by having to report not only to the CRC and their insurance company about the collision, but also to the municipality for any suspected by-law infractions by the towing company.

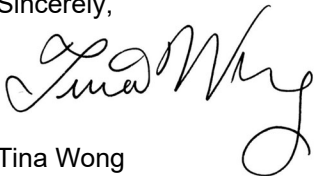
CAA believes that the solution to tow trucks chasing—and increased consumer protection—lies in provincial-level oversight of the industry. Regulating towing provincially prevents policy leakage between municipalities, and allows for stronger enforcement authorities and resources. More information on CAA's proposed framework for a provincial towing regulatory system can be found at [moresafetows.ca](https://moresafetows.ca) and in our August 2020 [Provincial Towing Oversight Town Hall Webinar](#).

CAA appreciates that this Council is compelled to take action: it is difficult to justify waiting for provincial regulations, while the number and severity of predatory towing transactions and experiences reported by motorists continue to grow. However, it is also important to ensure that new policy developments do not cause unintended consequences. Therefore, CAA's proposal for a towing by-law in the City of London is as follows:

- Implement a tow truck non-solicitation clause at the municipal level, without permitting  $n$  tow trucks to make or convey an offer of towing services within 200 m of a collision, where  $n$  is the number of vehicles in need of a tow
- Ensure consistent and robust enforcement of the municipal non-solicitation by-law by London Police Service
- Implement the non-solicitation by-law as a one-year pilot project to collect data, conduct citizen/consumer and industry studies, and have staff report back to Council with findings before proceeding with adjustments after the pilot, if any
- Support the [Ontario provincial towing 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.

Please reach out to me directly should you have any questions or concerns about the above comments. CAA looks forward to continued collaboration with the City of London, in the interest of consumer protection for London's motoring public.

Sincerely,



Tina Wong  
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- Attachments (PDF):
1. ["Tow truck driver charged in death of Dundas woman,"](#) *Hamilton Spectator* (2018 March 18)
  2. ["Car plows into front porch during 5-vehicle collision,"](#) *CityNews* (2019 August 20)
  3. ["One person airlifted following serious collision in Whitby,"](#) *Brock Voice* (2020 March 6)
  4. ["Boy seriously hurt after being struck by tow truck in Etobicoke,"](#) *CP24* (2020 June 27)