ONTARIO RECOVERY GROUP
CANADIAN TOWING ASSOCIATION

Response to Proposed Set Maximum Rates on Towing Service and Vehicle Storage Rates

Prepared for the Director, Towing and Storage Safety and Enforcement Act (TSSEA), Ministry of Transportation of Ontario

Prepared by	Ontario Recovery Group (ORG) Canadian Towing Association (CTA)
Position	The ORG and CTA respectfully submits that Ontario should not proceed with capped service rates or capped daily storage rates under the TSSEA.
Subject	Policy brief and detailed submission with 41 stand-alone arguments
Date	March 27, 2026

How this submission is organized

Part I is a short brief: cover letter, executive summary, top 10 key issues, and 9 recommendations. Part II contains 41 detailed stand-alone arguments so the reader can continue in depth or scrutinize any point on its own.

Document map

March 27, 2026

Kimberley R. MacCarl
Director of Towing and Vehicle Storage Standards
Ministry of Transportation of Ontario
Commercial Safety and Compliance Branch

Subject: Response to Proposed Set Maximum Rates on Towing Service and Vehicle Storage Rates

Dear Director,

On behalf of the Ontario Recovery Group (ORG) and the Canadian Towing Association (CTA), we appreciate the opportunity to provide this submission regarding the proposal to cap towing service and vehicle storage rates under the Towing and Storage Safety and Enforcement Act (TSSEA).

The ORG and CTA support strong consumer protection, professionalism, and meaningful enforcement. Those goals are not in dispute. What is in dispute is the policy instrument. In our respectful view, Ontario should not proceed with hard caps on towing service rates or daily storage rates. The problems that concern government arise primarily from conduct at collision scenes, first-available dispatch practices, referral incentives, and non-compliance - not from the mere existence of higher posted rates in ordinary, consensual, or contract-based towing transactions.

The towing and storage industry is still adapting to a major structural change. Ontario moved from a fragmented municipal environment to a provincial certification and maximum-rate regime in 2024. That transition naturally produced new pricing patterns, more insurer disputes, and more scrutiny of invoices. Those developments should not be mistaken for proof that a rate cap is now required.

This submission is therefore organized in layers. The front section states the ORG and CTA's position clearly and concisely. The balance of the document then provides 41 stand-alone arguments that can be read individually, tested individually, and debated individually. Our central recommendation is straightforward: do not cap towing service or storage rates. Enforce the law already in force, regulate the high-risk conduct that causes consumer harm, and undertake genuine cost-based review before considering any economic intervention.

We welcome the opportunity to discuss this submission and to participate in any structured consultation that includes independent towers, storage operators, insurers, police, municipalities, and other stakeholders.

Respectfully submitted,

Max Worth
Ontario Recovery Group
Canadian Towing Association

Part II - Executive Summary

Bottom line

The Ministry should not proceed with maximum rate caps on towing service or daily storage rates. The better path is to enforce the existing TSSEA conduct rules, deploy and refine the penalty process, focus on the collision-scene environment, and only consider any future pricing intervention after a genuine Ontario-specific cost-of-service review with representatives from the towing industry.

This submission is grounded in one central point: the Ministry is trying to solve a behavioural and structural problem with a blunt economic instrument. Consumer harm in towing does not arise evenly across the market. It clusters around collision scenes, first-available dispatch environments, solicitation, non-disclosure of affiliations, and the downstream monetization of repair and claims-related services. Hard caps on ordinary towing and storage rates do not directly address those drivers.

Ontario already regulates the key point of vulnerability. The TSSEA prohibits tow-truck activity within 200 metres of a collision scene unless the tow is requested by police, an inspector, or a person involved in the collision.[R1] The province also requires certification, published maximum-rate schedules, posted rights, consent to tow, and compliance with a code of conduct.[R2][R3][R4] In other words, Ontario already has a process-based consumer-protection framework. The Ministry should increase its enforcement.

The timing also matters. The provincial regime is still comparatively new. Tow and storage operators became subject to certification as of January 1, 2024, and tow drivers as of July 1, 2024.[R2] The Ministry is still refining how rates are filed, published, and reviewed.[R3][R9] It is premature to impose maximum rate caps before the enforcement model has been fully tested and before the market has had time to stabilize around the new provincial rules.

The proposed cap levels are also difficult to reconcile with real operating economics and even with public-sector comparators. Toronto Police Service currently publishes standard-tow rates ranging from $250 to $400 and standard-length daily storage rates from $75 to $100.[R5] Before TSSEA, Toronto's collision reporting framework referenced a direct-to-CRC tow fee of $310.44 plus tax.[R6] That does not prove that all Ontario pricing should match Toronto, but it does demonstrate that a regional or province-wide ceiling below those public-sector benchmarks is not obviously grounded in the cost reality of the service.

Finally, hard caps risk producing the wrong incentives. Independent towers that must recover their costs through towing and storage will be hit hardest. Vertically integrated businesses that monetize repairs, rentals, and affiliated downstream services will be less affected. The likely result is not cleaner behaviour, but a more distorted market. For that reason, the ORG and CTA respectfully ask the Ministry not to cap towing service or vehicle storage rates, and instead to pursue the recommendations set out in Part IV of this brief.

Part III - Top 10 Key Issues for Decision-Makers

This section is designed for quick review. The detailed stand-alone arguments begin in Part V.

#	Key issue	Why it matters
1	**The proposal targets the wrong problem.**	The conduct of concern arises primarily at collision scenes and in first-available environments, not in the bulk of towing work where rates are agreed by the customer or set through contracts.
2	**Enforcement tools should be used before price caps.**	Ontario is still building and refining its enforcement architecture under the TSSEA. A penalty and compliance system should be tested before the Ministry reaches for economy-wide rate suppression.
3	**The proposed caps are below real public-sector benchmarks.**	Existing police and municipal programs already recognize higher tow and storage pricing. A cap set below those benchmarks is internally inconsistent.
4	**The industry is facing structural cost pressure.**	Labour, training, insurance, equipment, financing, fuel, emissions compliance, and storage-facility costs including property taxes have all moved materially upward since earlier local benchmark rates were set.
5	**Price caps create workarounds instead of solving the problem.**	If rates are pushed below cost, operators will restructure billing, fragment invoices, or shift behaviour into less transparent channels rather than simply absorbing permanent losses.
6	**The market is still adjusting to the 2024 provincial transition.**	Ontario moved from many local licensing and rate systems to one provincial framework. Early pricing movement and dispute volume are not proof that a cap is justified.

7	**Not all towing businesses are built the same.**	Independent towers that live on towing and storage revenue are directly hit by caps; vertically integrated repair-led businesses are not. A cap can therefore distort competition in favour of the wrong actors.
8	**Predatory incentives often sit downstream from the tow.**	Repair work, rentals, legal services, and claims-linked medical referrals can carry much more value than the tow itself. Regulating only the tow misses the main incentive structure.
9	**Storage economics are being misunderstood.**	A secure yard carries fixed land, liability, security, staffing, and access costs from the moment a vehicle arrives, whether the vehicle stays two hours or two weeks.
10	**Process regulation is fairer than price regulation.**	Ontario already prohibits collision-scene solicitation except where the customer or an authorized dispatcher requests the tow. That is the right place to regulate: the point of vulnerability.

ORG and CTA position

The Ministry should not cap towing service rates or daily storage rates. The right policy sequence is: enforce first, regulate scene conduct and downstream incentives, gather cost evidence, and only then decide whether any further intervention is warranted.

Part IV - Recommendations: What the Ministry Should Do Instead of Rate Caps

The ORG and CTA's primary recommendation is that the Ministry should not proceed with capped towing service rates or capped daily storage rates. If the Ministry's objective is to protect consumers and improve industry behaviour, there are better tools available. The recommendations below are listed in the order they should occur.

Recommendation 1. Do not proceed with province-wide service and storage rate caps.

The Ministry should not impose hard caps on towing service rates or daily storage rates on the current record. The better course is to regulate behaviour, disclosure, and referrals, and to gather actual cost evidence before considering any further economic intervention.

Recommendation 2. Deploy and test the enforcement model first.

Utilize existing TSSEA related provincial offences, formalize multi-stage disciplinary actions and appeals processes, strengthen inspection activity, track complaints by transaction type, and publish anonymized enforcement results so the Ministry and the towing industry together can determine whether misconduct can be reduced without distorting the entire market.

Recommendation 3. Target the high-risk collision-scene environment.

Focus on solicitation, coercion, non-disclosure of affiliations, first-available dispatch behaviour, and collision-scene conduct. Those issues are far more closely connected to consumer harm than the base rate of a consensual tow.

Recommendation 4. Create a structured stakeholder working group.

Convene the towing industry, insurers, police, municipalities, and the Ministry to develop common expectations on documentation, communication, storage access, dispute handling, and fair pricing before imposing economic controls.

Recommendation 5. Permit the use of a fuel surcharge as a cost-recovery tool.

Fuel is one of the most significant and volatile operating costs in the towing industry. A fuel surcharge mechanism allows regulators to maintain stable base rates while ensuring operators can recover variable fuel costs. This approach is more precise and equitable than embedding fuel volatility into capped service rates.

Recommendation 6. If future pricing intervention is still contemplated, use an evidence-based cost-of-service review.

Any later intervention should be based on Ontario-specific cost evidence, service segmentation, storage-facility standards, regional conditions, abandoned-vehicle risk, and labour and capital costs - not on selective benchmarks or policy instinct.

Recommendation 7. If the Ministry insists on a pricing framework, prefer flexibility over hard caps.

A flexible model, such as clear base pricing with transparent permitted add-ons, transport-cost adjustment triggers, and periodic review is less distortive than a hard ceiling that attempts to force unlike services into one number.

Recommendation 8. Define storage standards before pricing storage.

A daily storage cap should not be set before the Ministry defines the baseline storage service it is pricing. Security, access, fencing, surveillance, insurance, land cost, and customer access standards must come first.

Recommendation 9. Regulate the downstream ecosystem if consumer protection is the goal.

If the Ministry wants to curb predatory behaviour, it should regulate the economic relationships that make that behaviour profitable: undisclosed repair affiliations, referral fees, claims-linked service chains, and related conduct.

What success would look like

Fewer collision-scene complaints, better disclosure, clearer customer choice, stronger enforcement outcomes, better stakeholder communication, and a transparent factual record of actual cost drivers, *without destabilizing compliant towing and storage businesses.*

Part V - Detailed Stand-Alone Arguments

How to use this section

Each argument below is intentionally drafted so it can be read on its own, quoted on its own, or tested on its own. The Ministry does not need to accept every argument to accept the ORG and CTA's central position. Any one of several arguments is sufficient to justify caution, further consultation, or abandonment of hard caps.

The arguments below are grouped thematically for readability, but they are intentionally self-contained. Where appropriate, selected public references appear in line. Operational statements drawn from ORG and CTA member experience are presented as industry evidence that should be tested through consultation, not ignored through premature price control.

Theme A - Why the proposal is aimed at the wrong problem

Argument 1. Regulation is targeting the wrong segment of the market.

The strongest case against a regional or province-wide cap is that it would regulate the broadest and most compliant part of the market to solve problems that arise in a much narrower and more specific set of circumstances. Most towing transactions in Ontario are either customer-directed, insurer-directed after the initial incident has stabilized, or performed under police, municipal, dealer, roadside-assistance, fleet, or commercial contracts. In those settings, the customer or contracting party either chooses the provider, agrees to the price, or has a pre-existing framework that governs the work.

The conduct that generates the greatest concern - coercion, opportunistic scene capture, non-transparent referrals, and pressure tactics - most often arises in the immediate aftermath of collisions where the consumer is stressed, time-pressured, and vulnerable. A broad cap would therefore land most heavily on compliant towing and storage work that is already transparent or contract-based, while leaving the Ministry to discover later that the real problem was scene conduct, not the posted price of ordinary towing or storage services.

Argument 2. Collision-scene abuse is a conduct and a first-available dispatch problem, not a base-price problem.

Predatory towing does not begin with a spreadsheet. It begins at the roadside, in the minutes after a collision, when a motorist may be shaken, injured, confused, scared, or simply trying to get out of traffic. In that setting, the critical consumer-protection questions are who arrived, who called them, whether the customer was free to choose, what disclosures were made, and whether the tow was linked to downstream business interests. Those are process and conduct questions.

A hard cap on the price of towing or storage does not solve the roadside vulnerability that makes coercion possible. A motorist can still be pressured, steered, misled about destination, or influenced toward an affiliated repair stream even if the initial tow is capped. In other words, a cap is at best an indirect intervention in a problem whose real drivers are first-available dispatching, solicitation, disclosure, and referral incentives. Direct regulation of those behaviours is both fairer and more effective.

Argument 3. Regulating process is fairer than regulating price, much like the approach used in taxi and rideshare markets.

Ontario already regulates many transportation services by controlling how a transaction begins rather than dictating one universal price. Taxi and rideshare frameworks focus on who may solicit, where pick-ups may occur, how drivers are identified, what insurance and safety rules apply, and how consent and accountability are documented. The same logic fits towing far better than an attempt to force a complicated emergency service into an administrative price box.

In towing, the fairer principle is simple: the customer should either request the service directly or receive it through an authorized towing program or rotation system. If the process is controlled, if identification is clear, if disclosure is mandatory, and if the operator is accountable, then the customer is protected at the point of vulnerability. Price control is a blunter tool. It does not correct the coercive moment; it only changes the economics after that moment has already occurred.

Argument 4. Ontario already has an anti-solicitation rule that addresses the core vulnerability.

Ontario's own Act recognizes where the real risk lies. The TSSEA restricts tow-truck activity within 200 metres of a collision scene unless the tow driver is there at the request of police, an inspector, or a person involved in the collision.[R1] That is an important policy judgment: it acknowledges that the collision scene itself is the high-risk environment and that unsolicited approaches are part of the problem the law is trying to prevent.

When government has already identified the risky conduct and legislated directly against it, the logical next step is to enforce that rule consistently, not to leap over it and cap all service and storage rates across a region or the province. A price cap would regulate every compliant operator, including those who never solicit and who work mostly in consensual or contract settings, while leaving the Ministry still dependent on enforcement to address the collision-scene misconduct it has already prohibited.

Argument 5. Dialogue, education, and evidence-gathering should precede economic intervention.

The ORG and CTA's experience since the provincial transition has shown that misunderstanding between towing operators, insurers, and other stakeholders remains a major driver of friction. That is especially true when pricing structures change, when new provincial rules replace older local ones, and when one side treats every pricing disagreement as evidence of bad conduct. Those are precisely the circumstances in which the Ministry should slow down and insist on structured dialogue rather than rushing into permanent economic controls.

A healthy regulatory process should ask basic questions before capping prices: what services are actually being delivered, which costs are fixed, which costs are variable, where complaints cluster, what roles insurers and police play in dispatch, and which behaviours are truly causing consumer harm. Dialogue and data will not solve every dispute, but they give the Ministry something far stronger than instinct. Without that foundation, a cap is more likely to create a new problem than solve the old one.

Argument 6. The 2024 shift from municipal regulation to provincial regulation created a period of adjustment, not proof of market failure.

Ontario moved in January 2024 from a largely municipal framework - where operators often needed local licences, worked within local borders, and lived with different local price rules - to a provincial certification and maximum-rate system.[R2][R3] That was a profound structural change. It changed who could operate where, how rates were posted, how customers viewed rates, and how insurers assessed them. A period of pricing movement and dispute was inevitable.

A regulator should be very careful not to mistake transition effects for evidence that the market has failed. When many local rate structures are removed and replaced by a single provincial framework, prices do not stay frozen. They normalize, they move, and they are contested. That is especially true when neighbouring municipalities previously had very different pricing and very different administrative burdens. The correct response is to understand the transition, not to declare that adjustment itself is proof that hard caps are needed.

Argument 7. The recent use of Section 24 proceedings should not be mistaken for proof that rates are unreasonable.

ORG and CTA members reported a sharp increase in Section 24 applications under the Repair and Storage Liens Act after the initial maximum rate schedule implementation in 2024, including disputes over relatively modest dollar differences and even low-value invoices. That experience matters because it suggests that the existence of a dispute does not necessarily mean the rate was abusive or unreasonable. It may simply mean the payer, often an insurer, did not like the new number.

A regulator should therefore be cautious about treating dispute volume as a proxy for rate abuse. If a legal process designed as a protective mechanism is being used aggressively to pressure rate reductions in routine transactions, that points to a dispute-resolution and stakeholder-alignment problem. It does not automatically justify government capping the price of the service for the entire industry.

Theme B - Why hard rate caps are the wrong regulatory instrument

Argument 8. Government does not usually set prices for private professional and trade services, and towing should not be singled out without a compelling structural reason.

Ontario regulates many private services without dictating the price they may charge. Lawyers, accountants, mechanics, contractors, plumbers, electricians, real-estate professionals, and countless other service providers are governed through licensing, professional standards, disclosure obligations, insurance requirements, and consumer-protection rules. Government typically intervenes to control conduct, safety, and transparency - not to prescribe the maximum revenue that a compliant private business may earn for its service.

If towing is to be treated differently, the Ministry should be able to identify the special structural feature that justifies that departure. Towing is not a single-provider monopoly. It is not a provincial utility. It is not a government-owned service. It is a competitive, operationally complex, emergency-adjacent private service industry. In that context, hard price control is not the norm and should not be adopted lightly.

Argument 9. Where governments regulate freight rates or service tariffs, it is usually in monopoly or infrastructure-dependent sectors, not competitive service markets like towing.

In transportation and logistics, tariff regulation traditionally appears where there is a natural monopoly, a public infrastructure bottleneck, or a single dominant institutional purchaser - rail corridors, port pilotage, airport fees, pipelines, or government-run transport systems. Those are the contexts in which the province can justify price-setting because the ordinary discipline of competition is weak or absent.

Towing does not share those characteristics. The industry is fragmented, operationally diverse, and competitive. Customers can choose providers in most ordinary settings, insurers can negotiate service arrangements, fleets and roadside clubs can contract, police and municipalities can tender, and operators can differentiate on response, capability, geography, and service quality. That is not the profile of a classic tariff-regulated sector. It is the profile of a service market that should be governed primarily through conduct, safety, and transparency rules.

Argument 10. The trucking deregulation experience shows that direct economic regulation of competitive transport services is generally counterproductive.

North American transportation policy moved away from government-approved trucking tariffs decades ago because policymakers concluded that price regulation in a competitive transport sector produced rigidity, inefficiency, and distorted incentives. Governments kept the important rules - safety, insurance, licensing, vehicle standards, labour rules, and conduct obligations - but withdrew from the business of trying to dictate the price of each trip in a market with many private operators.

That history matters here. Towing is not identical to freight trucking, but it shares the essential characteristics that made broad rate-setting unattractive in trucking: privately owned fleets, diverse services, varied costs, and competitive service providers. Reintroducing economic price control into a comparable transport-services market is a step backward. It risks restoring exactly the kind of administrative pricing problem that transportation policy spent decades moving away from.

Argument 11. The TSSEA was enacted for consumer protection, professionalism, and accountability - not price suppression.

The central architecture of the TSSEA is licensing, certification, code of conduct, documentation, disclosure, posted maximum rates, customer rights, collision-scene restrictions, and enforcement. That is the structure of a consumer-protection and professionalization act. Its purpose is to improve behaviour, make the industry more legible to customers and government, and create accountability where none existed before.

A hard rate cap would push the scheme toward a different objective: price suppression. That is not the same thing as consumer protection. Protecting consumers means improving consent, information, dispatch, records, access to vehicles, referrals, and enforcement against bad actors. It does not automatically mean that the Ministry should drive the price of a lawful private service down to the lowest politically defensible number.

Argument 12. It is inconsistent for government to cap rates below levels already recognized by public-sector buyers.

One of the most persuasive objections to the proposed caps is internal inconsistency within government itself. Public-sector entities - police services, municipalities, and government-linked programs - already pay rates that exceed the figures now being proposed as regional ceilings. Toronto Police Service, for example, currently publishes standard-tow fees ranging from $250 to $400 and standard-length daily storage rates ranging from $75 to $100 under its contract framework.[R5] Before TSSEA, Toronto's collision-reporting-centre regime also referenced a direct-to-CRC flat towing fee of $310.44 plus tax.[R6]

If one part of government already recognizes that materially higher pricing is needed to secure reliable towing and storage services, it is not practical for another part of government to expect that lower region or province-wide caps are the fair and sustainable answer. A regulator should not create a framework in which public authorities pay one price because they know the service costs more, while private operators are told the province will only recognize a much lower ceiling for the same underlying work.

Argument 13. Public tenders and contract rates are not fair-market benchmarks for open-market towing.

Even where public-sector benchmarks are useful, they still do not equal 'fair market value' in the ordinary sense. Contract rates are often produced through low-bid or strategic procurement processes in which operators accept lower unit prices in exchange for predictable volume, territorial certainty, dispatch priority, or long-term access to a market. Those are not the same economics faced by an independent operator dealing with irregular demand, high collection risk, and no guaranteed volume.

That matters because a regional or province-wide cap derived from contract logic would double-count the downward pressure already built into public procurement. The Ministry would not be regulating to an ordinary service price; it would be regulating to a procurement-influenced, volume-conditioned number that may already sit below a true open-market cost. A cap below that level would move even further away from sustainable pricing.

Argument 14. Restricted Tow Zone rates are not a valid benchmark for the broader industry.

Restricted Tow Zone pricing should not be imported into the general market. Those rates were established in 2021, they have not materially moved since then, and they were developed in the context of a specialized government program with geographic assignment, operational coordination, and known service conditions. They were also shaped by the exclusivity and heavy-duty opportunities available to RTZ providers in designated corridors. Those are not the conditions of the open market.

In addition, the cost environment has changed materially since 2021. Fuel, labour, property taxes, insurance, truck prices, and maintenance costs have all risen, while the Ministry has layered on new training, compliance, and certification obligations. A static, specialized program rate from 2021 cannot credibly function as the benchmark for all towing and storage services in 2026. Using it as such would import outdated assumptions from a narrow program into an entirely different operating environment.

Argument 15. Ontario should not import pricing assumptions from public-insurance provinces such as British Columbia, Manitoba, Saskatchewan, or Quebec.

Comparisons to other provinces can be seductive, but they are often analytically weak. British Columbia, Manitoba, and Saskatchewan each operate within public auto-insurance structures where a government-linked insurer shapes claims handling, vendor relationships, and towing economics. Quebec also operates within a materially different public insurance and accident-response environment. In each case, towing prices are influenced by institutional arrangements that do not exist in Ontario's private, multi-insurer market.

Ontario towers do not enjoy the same centralized purchaser, standardized claim volume, or government-backed service stream. Their pricing must sustain a much more fragmented market with variable demand, different collection risk, and multiple counterparties. A rate structure that may be workable in a publicly managed insurance environment cannot simply be transplanted into Ontario without ignoring the very market conditions that determine whether the service can be delivered sustainably.

Theme C - Safety, essential-service readiness, and frontline labour

Argument 16. Towing is an essential public-safety service that must remain viable in ordinary times in order to respond in extraordinary times.

Tow operators are not simply moving broken vehicles from one point to another. They help clear collision scenes, remove hazards from active roadways, support police and emergency responders, restore traffic flow, recover disabled commercial vehicles, keep the transportation network functioning, and put themselves at risk every single day. That makes towing a private industry with a public-safety function.

The practical consequence is that the industry must be healthy on a Tuesday afternoon in April if the province expects it to respond on the worst snow day in February, during a multi-car pileup on a highway, or in the middle of a public emergency. Readiness cannot be turned on only when government needs it. It has to be financed every day through a commercially viable business model.

Argument 17. Price caps set below cost create public safety risks.

When government pushes rates below the cost of safe and compliant service delivery, the result is not merely thinner margins on paper. It can mean older fleets kept in service longer, delayed maintenance, reduced investment in recovery equipment, fewer trained operators on shift, thinner after-hours coverage, and less capacity to respond quickly to dangerous scenes. That is not conjecture; it is the predictable effect of suppressing revenue in a capital-intensive safety service.

Public safety depends on more than the existence of a tow truck. It depends on the right truck, properly maintained, properly insured, properly staffed, and dispatched by a business that can remain solvent through the cycle of normal and abnormal demand. A cap that ignores those realities creates a risk that government will get the low posted number it wanted while the public and law enforcement gets a weaker roadside response system.

Argument 18. Tow-truck driver compensation is often revenue-linked, so rate caps directly reduce frontline income.

A common compensation model in towing is commission or revenue-share pay. That model reflects the irregular, emergency-based nature of the work and is one of the ways operators attract and retain drivers willing to work nights, weekends, severe weather, and dangerous roadside conditions. In practical terms, when the revenue of the call is reduced, the driver's compensation is reduced with it.

That means a cap does not only affect company owners. It directly affects the income of the frontline people the system depends on. In an industry already struggling with recruitment and retention, lowering the revenue base for each call risks making the occupation less attractive precisely when Ontario is asking it to become more professional, more compliant, and more safety-focused.

Argument 19. Lower per-call revenue can create unsafe productivity pressure on drivers.

When a driver needs more calls to earn the same income, the incentive structure shifts. The temptation is not necessarily overt misconduct; often it is subtler than that. It is the pressure to hurry the job, shorten the assessment, move more quickly at the shoulder, reduce time spent explaining options to the customer, or take one more call near the end of a long shift. Those pressures are especially dangerous in a roadside occupation where careful set-up, visibility, and patient vehicle handling are essential.

A regulator should be wary of creating an economic model that rewards speed and volume over patience and care. Tow work already carries serious exposure to moving traffic, poor visibility, bad weather, and emotionally charged scenes. Rate suppression can unintentionally amplify exactly the productivity pressure that safe roadside work requires operators to resist.

Argument 20. The fatality and roadside-risk profile of towing justifies sustainable pricing.

Tow operators work in one of the most dangerous environments in the transportation economy: inches or feet from live traffic, often in darkness, rain, snow, freezing temperatures, or on high-speed shoulders. The industry has repeatedly suffered serious injuries and fatalities when operators are struck while loading, securing, or recovering vehicles. Those risks are the reason 'move over' laws exist; government itself recognizes the danger inherent in the job.

A rate framework that ignores the human risk of the work is incomplete. Sustainable pricing helps fund safer staffing, better lighting, more appropriate equipment, better PPE, more training, and more realistic schedules. If the Ministry wants a professional industry that treats public safety as paramount, it cannot simultaneously structure pricing as though the work were ordinary low-risk transport.

Argument 21. Dangerous weather, severe traffic, and public emergencies require year-round readiness that must be financed year-round.

Towing companies are expected to respond when conditions are worst: during snowstorms, freezing rain, flood events, highway shutdowns, mass collision events, and even broader disruptions such as pandemics. Those moments are not separate businesses; they are part of the same operating model. The trucks, people, insurance, yards, communications, and management capacity required for emergency response have to exist *before the emergency arrives.*

That is why rates under ordinary conditions matter so much. They do not just pay for the job in front of the driver; they sustain the business between the major incidents. If the Ministry squeezes ordinary pricing too far, it risks undermining the very standby capacity it will later rely on when the province most needs the industry to perform.

Theme D - Why towing cannot be reduced to a simple capped price

Argument 22. Towing is not a single service but a spectrum of services with different costs and risks.

Even the phrase 'a tow' collapses a wide range of very different work into a single shorthand. A simple relocation from a driveway, a collision tow to a reporting centre, a winch-out, an EV recovery, a tow involving dollies or race ramps, a long-distance transfer, a covered-garage extraction, and a roadside recovery in active traffic all involve different equipment, different labour intensity, different time on scene, and different risk.

That diversity matters because a cap that works on the easiest call can be wildly unsustainable on the more complex one. The Ministry should resist any model that assumes one number can fairly price a category of work that is not operationally uniform. The more the law forces unlike services into a single capped amount, the more it misprices the actual work being done.

Argument 23. Flat rates do not account for vehicle value, technical complexity, and liability exposure.

Not all towed vehicles present the same risk. High-value luxury vehicles, collector vehicles, heavily modified vehicles, electric vehicles with special handling requirements, and commercial units with unique securement or damage exposure all increase the liability borne by the towing provider. The operator is not simply moving dead weight; the operator is assuming custody of someone else's asset, often under time pressure and in a damaged condition.

Commercial reality normally allows a service provider who takes on greater risk to price that risk. A rigid flat-rate approach strips out that flexibility and assumes identical liability across very different service events. The result is predictable: either operators avoid higher-risk work, reduce the care invested in it, or try to recover that risk somewhere else in the transaction.

Argument 24. If the Ministry wants lower base rates, it must at least allow a broader and transparent menu of add-on items.

A lower base rate is only remotely workable if the pricing framework also recognizes the variable components of the job. Real towing services often involve dollies, race ramps, specialty loading for low-clearance vehicles, EV precautions, additional waiting time, service calls where the customer never appears, after-hours labour, or unusual customer-directed delays. Those are measurable operational realities.

A rigid low base rate without legitimate add-ons simply forces the system to misprice complex calls. The better policy choice, if government insists on a pricing architecture, is to permit a narrowly defined and transparent set of additional billing items that customers can understand and regulators can audit. That is more honest than building those billing items into a flat rate.

Argument 25. Fuel surcharges are a legitimate and necessary cost-recovery tool in a transportation business built around heavy vehicles.

Fuel is one of the most volatile and material costs in towing. Heavy-duty trucks burn more than ordinary passenger vehicles, idle for long periods at scenes, and often operate in congested stop-start or roadside conditions that are inherently inefficient. In transportation industries generally, fuel surcharges exist precisely because general inflation measures cannot keep pace with sudden energy-price shocks.

TSSEA currently states that operators cannot charge fuel surcharges.[R8] That makes any low-cap model even more problematic, because one of the industry's most volatile costs has already been removed as a flexible recovery mechanism. If the Ministry wants to hold base rates down while also prohibiting fuel surcharges, it is effectively asking operators to absorb a major variable cost inside a rigid administrative ceiling.

Refer to Appendix D for a proposed Fuel Surcharge Framework.

Argument 26. If the Ministry insists on a rate-adjustment mechanism, CPI is not the right measure.

The Consumer Price Index is a broad household inflation measure. It is not a commercial fleet cost index. It does not directly track heavy-truck financing, diesel volatility, commercial vehicle insurance, tow-specific equipment, specialized labour, land costs for storage yards, or emissions-system maintenance. Using CPI as the principal escalator for towing rates would therefore understate the cost reality of the business.

If any indexing mechanism is used at all, it should be closer to the underlying cost base: a transportation-specific blend, a diesel trigger, labour measures, or periodic cost-of-service review. CPI may be administratively convenient, but administrative convenience is not the same thing as economic accuracy.

Argument 27. 'First available' dispatch combined with low rate caps can degrade service quality.

A 'first available' system already pushes operators toward speed. If that system is then paired with low rates, the incentive becomes speed plus volume. Operators have to keep trucks constantly available, accept calls quickly, and process more jobs per shift to maintain the same revenue. That can reduce the time and care devoted to each customer, especially where load securement, route choice, explanation, documentation, or special handling requires patience.

The problem is not that operators suddenly become careless; the problem is that the economic structure begins to reward the wrong behaviours. A Ministry that wants professional service quality should be careful not to create a dispatch-and-pricing combination that favours fast turnover over careful execution.

Argument 28. Price caps encourage invoice fragmentation and multi-invoice workarounds.

When a capped amount cannot recover the real cost of what is functionally a single service, the market does not simply stop incurring that cost. Instead, operators begin to look for legally defensible ways to separate one service event into several billable stages. That could include a short move to a secondary location, a transfer to another unit, a leg to a collision reporting centre, and a final leg to a repair or storage destination - each documented as a separate invoice rather than one continuous tow.

From a consumer-protection standpoint, that is the opposite of transparency. The Ministry may succeed in capping any one invoice while making the overall transaction harder to understand and more difficult to audit in aggregate. A pricing framework that predictably encourages fragmentation is not a stable or honest regulatory solution.

Argument 29. Hard caps can push activity outside the regulated framework through regulatory arbitrage.

If a regulated market is made economically unworkable, participants do not always comply more faithfully. Sometimes they look for the cracks in the system. They shift activity into exempt categories, recharacterize services, route work through affiliated entities, or use alternative billing structures that are technically different but economically similar. That is regulatory arbitrage: compliance with the letter, avoidance of the intended effect.

The Ministry should care deeply about that possibility because it undermines enforcement. A cap that independent compliant operators cannot live with may end up benefiting those most willing to restructure the transaction, redirect the revenue source, or operate in the shadows. A framework is only as strong as the incentives it creates, and hard caps can create the wrong ones.

Theme E - Storage economics and why a storage cap is premature

Argument 30. Hourly billing for the first calendar day of storage is disproportionate to the actual cost structure of a storage yard.

Storage is not a parking space sold by the hour. From the moment a vehicle enters a yard, the storage operator incurs the real costs that make lawful storage possible: secure land, perimeter controls, lighting, insurance, staff oversight, recordkeeping, access systems, and exposure to liability for the stored vehicle. Those costs arise immediately. They do not accumulate neatly in direct proportion to each hour of the first day.

A pro-rated first-day model therefore under-recovers the economics of intake. It treats the first few hours as though the operator has not yet incurred the cost of securing and administering the vehicle, when in fact those costs begin the moment the vehicle takes up space and becomes the operator's responsibility.

Argument 31. A $65 per day storage cap is too low to reflect compliant storage economics in Ontario.

A secure storage yard is not a passive empty lot. It is real estate, property zoning, property taxes, security infrastructure, lighting, fencing, surveillance, customer access administration, insurance, and risk. In many regions - especially major urban and industrial markets - those costs are significant and rising. A $65 daily ceiling does not obviously reflect that reality, particularly once one accounts for liability exposure, staff safety, property maintenance, irregular retrieval patterns, and the cost of maintaining customer access and prompt release.

The strongest practical comparison is that even public-sector arrangements already recognize higher storage numbers. Toronto Police Service currently publishes standard-length daily storage rates in the $75 to $100 range under its contract structure.[R5] A region-wide cap below that level is not a sign of prudence; it is a sign that the proposed figure is likely too low.

Argument 32. Daily storage rates must also absorb the losses created by abandoned, unpaid, or low-value vehicles.

Storage pricing does not only cover the vehicle whose owner pays in full. It also helps cover the space, administration, and eventual disposition burden of the vehicle that is never reclaimed, cannot economically support the bill, or has little or no scrap value. In the real storage business, not every occupied space produces collected revenue. Some spaces produce losses.

That means the daily rate charged on paying accounts necessarily does part of the work of keeping the overall storage system viable. A cap that assumes every vehicle is promptly collected and every account is promptly paid does not describe the world Ontario storage operators actually inhabit.

Argument 33. The TSSEA's first-day pro-ration rule has shifted cost-recovery pressure into towing rates.

Before the provincial regime, many operators were able to recover part of the economics of an impound or short-stay event through a full daily storage charge from the moment the vehicle entered storage. Once Ontario moved to a first-day pro-ration model, that revenue profile changed. The operator still incurred the fixed intake and yard costs, but immediate storage recovery was reduced or delayed.

Businesses respond to pricing architecture holistically. If one revenue stream is restricted while the underlying cost remains, that cost tends to be reallocated elsewhere in the transaction. One likely effect has therefore been upward pressure on towing rates themselves, not necessarily because the tow became more profitable, but because storage rules changed the internal balance of cost recovery.

Argument 34. The Ministry has not yet defined a baseline storage-facility standard, so it cannot yet fairly cap storage pricing.

At present, Ontario has certification requirements for storage operators, but it has not set out a detailed province-wide baseline that would tell the market what precise service a daily storage fee is supposed to buy. There is no single prescribed level of insurance, fencing, paving, lighting, surveillance, staffing, access process, urban proximity, or customer-service standard that would allow the Ministry to say, with confidence, 'this is the storage product we are pricing.'

Without that baseline, a hard cap risks pricing an undefined service. Some yards invest heavily in security, access, location, and infrastructure; others operate more simply. Those differences are economically real and they matter to consumers and vehicle owners. Until the Ministry defines the baseline, it is premature to dictate the price.

Argument 35. Storage pricing must reflect security, liability, land, staffing, and access costs.

Even if one ignores the question of abandoned vehicles, storage pricing must still carry the cost of secure real estate, insurance, lighting, surveillance, recordkeeping, release processes, controlled access, and the administrative burden of interacting with vehicle owners, insurers, police, and legal processes. Those are not optional extras. They are part of the lawful service.

A rate cap that focuses only on the image of a vehicle sitting still in a fenced lot fundamentally misunderstands what is being sold. The operator is not selling passive occupancy alone. The operator is selling custody, security, compliance, and controlled access over time. That broader service is why a simplistic daily cap is unrealistic.

Theme F - Labour, technology, business-model differences, and downstream incentives

Argument 36. Mandatory TSSEA training has increased onboarding costs and worsened recruitment friction.

The Ministry's own certification rollout required tow and storage operators to adapt quickly, and tow drivers became subject to mandatory training and certification requirements as of July 1, 2024.[R2] From a public-safety perspective that goal is understandable. From a business perspective it is a material new onboarding cost. In many cases the employer pays for the training or absorbs the cost as a hiring incentive because otherwise the candidate may choose another sector or another employer.

That matters because towing already struggles to recruit drivers willing to accept irregular hours, risky roadside work, and demanding customer interactions. A pricing framework that ignores new training cost effectively tells operators to become more professional with less revenue to support the investment.

Argument 37. Fuel, insurance, equipment, maintenance, and financing costs have risen materially since many older benchmark rates were set.

This submission does not depend on proving one exact percentage for every cost line. The broader point is enough: the industry's major operating costs have moved materially upward over the last several years. Heavy trucks cost more to buy, more to finance, more to insure, and more to maintain. Commercial insurance has been especially challenging. Parts, labour, and shop time are more expensive. Fuel remains volatile. Storage land is not getting cheaper.

A cap built on stale assumptions or historical local benchmarks will therefore misprice the present-day service. The Ministry should not use yesterday's cost environment to control tomorrow's business model.

Argument 38. EPA 2027 emissions rules will materially increase fleet acquisition and maintenance costs.

The next wave of heavy-duty emissions compliance will not be absorbed magically by fleet operators. It will show up in the purchase price of new trucks, in the complexity of after-treatment systems, in additional sensors and diagnostics, and in the cost of repairs and downtime. Canadian fleets buy in a North American truck market, so major U.S. emissions rules matter directly to Ontario towing companies even before any domestic mirror rule is discussed.

Tow fleets are especially exposed because a tow truck is not a generic transport asset. It is a specialized capital unit that must be ordered, equipped, financed, insured, and maintained for a specific operational purpose. A cap that ignores the rising replacement cost of that fleet is not future-proof; it is outdated on arrival.

Argument 39. Regeneration downtime and 'turtle mode' uniquely burden tow trucks because of idling and roadside duty cycles.

Modern diesel emissions systems work best under sustained operating conditions. Tow trucks rarely enjoy those conditions. They idle at scenes, work at low speeds, wait at shoulders, operate hydraulics, and make short stop-start movements that force active regeneration more often and increase the risk of derate conditions if regeneration is delayed. Every parked regeneration cycle means real downtime. Every derate or 'turtle mode' event means reduced capability at the worst possible moment.

That burden is not shared equally across all transport sectors. It is one reason a cost model borrowed from ordinary transportation businesses can understate the operational reality of towing. Ontario should not cap the price of a service while ignoring the technology-induced downtime that now comes with providing it.

Argument 40. Not all towing businesses are built alike; a hard cap can advantage vertically integrated repair-driven operators over independent towers.

Some businesses own tow trucks because towing itself is their primary business. Others own tow trucks because they want to feed a downstream repair shop, body shop, rental stream, or other affiliated service. In the second model, the tow may be priced extremely low - or even effectively free - because the real money is expected later in the transaction.

A hard cap therefore does not hit every operator equally. It falls hardest on independent towers that must recover their costs through towing and storage. It falls least on vertically integrated operators that do not rely on the tow for profitability. That means a cap can accidentally distort the competitive landscape in favour of the very business model most associated with downstream monetization.

Argument 41. If consumer protection is the goal, regulating downstream repair and referral ecosystems is more effective than capping towing and storage rates.

Many of the industry's worst behaviours are economically driven not by the tow itself, but by the value of what comes after: repair work, rentals, appraisals, legal referrals, or claims-linked health services. The collision scene matters because it is the gate to those downstream revenue streams. If government only caps the tow, the incentive to capture the customer and vehicle remains intact.

That is why more effective consumer protection would focus on the downstream ecosystem: disclosure of affiliations, restrictions on referral compensation, clearer customer choice rules, auditing of affiliated repair pathways, and targeted regulation of claims-related steering. If the profit driver sits downstream, the regulation should sit downstream too.

Appendix

Appendix A - Selected public references used in this brief

Ref.	Source and relevance
[R1]	Towing and Storage Safety and Enforcement Act, 2021, s. 38 (collision-scene restriction / anti-solicitation rule). Ontario e-Laws.
[R2]	Get a towing or vehicle storage certificate. Ontario.ca. Confirms tow and storage operators required to be certified as of January 1, 2024, and tow truck drivers as of July 1, 2024.
[R3]	Submit tow and vehicle storage rates. Ontario.ca. Explains published maximum rate schedules, immediate initial filing, 30-day delay for changes, and Ministry power to review/reject unreasonable rates.
[R4]	Towing and vehicle storage requirements. Ontario.ca. Summarizes code of conduct, posted-rate obligations, and prohibitions on compensated referrals and legal/health referrals by storage operators.
[R5]	Toronto Police Service - Towing. Toronto Police Service website. Current published contract towing and storage fees.
[R6]	Collision Reporting - Toronto Police Service. Toronto Police Service website. Notes Toronto CRC direct-tow charge of $310.44 plus tax.
[R7]	Tow zone pilot program. Ontario.ca. Explains restricted towing zones and use of authorized providers only.
[R8]	Know your rights when getting a tow. Ontario.ca. Summarizes consent requirements, no-solicitation rules, and prohibition on fuel surcharges.
[R9]	O. Reg. 115/25 and O. Reg. 162/23 under the TSSEA. Ontario e-Laws. Current maximum-rate schedule framework and service categories.
[R10]	https://london.ca/sites/default/files/2022-12/Towing%20Impound%20Admin%20Regs%20and%20Fees%20-%20City%20of%20London%20-%20December%2014%202022%20-

%20AODA.pdf

[R11] https://www.brampton.ca/EN/City-Hall/Bylaws/Archive/245-2022.pdf

[R12] https://www.brampton.ca/EN/City-Hall/Bylaws/Archive/001-2022.pdf

[R13] https://pub-mississauga.escribemeetings.com/filestream.ashx?DocumentId=32037

[R16] https://pub-ottawa.escribemeetings.com/filestream.ashx?documentid=80191

[R17] https://www.vaughan.ca/sites/default/files/Tow%20Rate%20Sheet.pdf

Appendix B - Illustrative benchmark snapshot

The table below is not offered as a complete cost study. It is included to illustrate why the Ministry should be cautious about imposing low regional or province-wide caps without first reconciling them against actual public-sector and market benchmarks.

Item	Illustrative figure	Source / context	Comment
Proposed basic tow cap	$245 flat	Consultation session of March 12, 2026	User-provided proposal
Proposed mileage cap	$3.50/km	Consultation session of March 12, 2026	User-provided proposal
Proposed storage cap	$65/day	Consultation session of March 12, 2026	User-provided proposal
Toronto Police Service standard tow	$250-$400	TPS towing page [R5]	Current public-sector comparator
Toronto Police Service standard storage	$75-$100/day	TPS towing page [R5]	Current public-sector comparator
Toronto CRC direct tow	$310.44 + tax	TPS collision reporting page [R6]	Pre-TSSEA Direct-to-CRC flat fee
Vaughn CRC direct tow	$373 Flat +$68/hr	Vaughn By-Law	Effective Nov. 2021
Mississauga CRC direct tow	$750 flat	Mississauga By-Law [R13]	Effective Jun. 2022
Ottawa CRC direct tow	$300 flat +$60/hr waiting time	Ottawa By-Law [R16]	Effective Jan. 2022
Ottawa daily storage	$60/day	Ottawa By-Law	Effective Jan. 2022
Brampton CRC direct tow	$400 flat +$3.50/km	Brampton By-Law [R12]	Effective Jan. 2022
Brampton re-tow	$150 flat +$3.50/km	Brampton By-Law [R11]	Effective Jan. 2023
Brampton daily storage	$75/day	Brampton By-Law [R11]	Effective Jan. 2023
London Regular Tow	$275 flat +$100 for winching	London By-Law [R10]	Effective Dec. 2022

Ontario certificate rollout	Jan. 1, 2024 / Jul. 1, 2024	Ontario certificate page	Provincial framework still new
Rate changes after filing	30-day wait	Ontario rates portal guidance	Shows current framework already structured

Appendix C – Illustrative basket of common tow truck parts

The table below is not offered as a complete cost study. It is included to illustrate the changing cost environment for a variety of parts replaced on tow trucks. All costs presented are before tax.

Part	Price	Date of Price	Percentage Change
ABS Modulator for Hino	$4,536.39	January 4, 2023	
	$8,605.48	March 19, 2026	89.70% increase
Dolly Tires	$36.25	July 17, 2024	
	$66.00	September 25,2025	82.07% increase
Winch Cables	$138.96	February 19, 2025	
	$182.96	March 3, 2026	31.66% increase
GMC radiator	$491.50	October 11, 2024	
	$619.47	January 5, 2026	26.04% increase
GMC Fuel Pumps	$412.34	September 29, 2023	
	$511.20	October 21, 2025	23.98% increase
Hino Brake Rotors	$310.59	August 11, 2025	
	$365.08	January 8, 2026	17.54% increase
Dolly Spindles	$265.58	December 6, 2024	
	$305.94	January 27, 2026	15.20% increase
Hino Air compressors	$1,715.77	August 22, 2024	
	$1,967.36	March 19, 2026	14.67% increase

Appendix D – Proposed Fuel Surcharge Framework

Fuel is one of the most significant and volatile operating costs in the towing industry. This appendix outlines a standardized fuel surcharge framework that uses third-party diesel pricing data from Kalibrate to ensure transparency, fairness, and alignment with real-world operating conditions.

Pricing Data

Data can be found on a website like Kalibrate (https://charting.kalibrate.com/charting/FullMonty). Fuel prices presented on this website are done with funding provided by the Government of Canada. These prices are used to support the analysis available at the Natural Resources Canada (NRCan) website.

Methodology

(1) Each towing service provider, or the Ministry, can establish and publicize a baseline diesel price and date. This is important in order to provide context for the fuel surcharge. If the Ministry is setting the baseline this will allow the market to adjust pricing after fuel cost consideration according to that date and price.

(2) The Kalibrate platform allows the user to filter fuel price data by region.

(3) Towing service providers can calculate the difference between the current diesel price and the baseline diesel price.

(4) The price difference can be converted into a relative increase to the Fuel Surcharge Rate that can be applied to the towing invoice.

(5) Through consultation and feedback the Ministry can determine if a ceiling on the fuel surcharge rate is necessary so that towing service providers are encouraged to adjust and normalize their rates over time as the natural cost of fuel changes over time.

(6) The desired result is that the proportion of the invoice which represents a fuel surcharge will be disclosed transparently rather than embedded in base towing rates.

Example

- Baseline Diesel Price as of January 1, 2021 = 108.80 cents/L
- Current Diesel Price as of March 26, 2026 = 219.20 cents/L
- This is a difference of 110.40 cents/L
- For every 5.00 cents/L increase to the diesel price, the fuel surcharge rate will increase by 100 basis points.
- Therefore, with a difference of 110.40 cents/L an appropriate fuel surcharge for March 26, 2026 would be 22.00%.

Key Advantages

- Uses objective third-party data (Kalibrate)
- Adjusts dynamically with fuel markets
- Avoids inflating base rates
- Improves transparency and reduces disputes
- Aligns with practices in other transportation industries

Policy Rationale

Fuel is one of the most significant and volatile operating costs in the towing industry. A fuel surcharge mechanism allows regulators to maintain stable base rates while ensuring operators can recover variable fuel costs. This approach is more precise and equitable than embedding fuel volatility into capped service rates.

Appendix E - Questions the Ministry should answer before considering any future price intervention

If the Ministry nevertheless wishes to revisit pricing in the future, it should do so only after developing an evidentiary record that answers at least the following questions:

1. What share of complaints arises from collision-scene, first-available, or solicitation-driven tows versus consensual or contract-based tows?
2. What are the true cost drivers for a compliant Ontario towing business by service type: labour, training, truck costs, insurance, fuel, maintenance, and after-hours readiness?
3. What is the real cost structure of a compliant vehicle storage facility once land, security, liability, staffing, and abandoned vehicle losses are included?
4. How often are RSLA disputes driven by service quality or misconduct as opposed to pure price disagreement?
5. How should the Ministry treat the different economics of independent towers versus vertically integrated repair-driven operators?
6. What role do downstream referrals and affiliated businesses play in complaint generation, collision-scene chasing, and consumer harm?
7. What benchmarks are actually comparable to Ontario, and which are distorted by public insurance, low-bid procurement, RTZ exclusivity, or outdated assumptions?

Appendix conclusion

The record needed for a defensible price intervention does not yet exist. Until it does, Ontario should enforce the current law, refine the provincial program, and avoid hard caps on towing service and daily storage rates.