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Zipcar, Inc. – City of Los Angeles Car Sharing Pilot

Statement of Jon Zeitler, Executive Vice President, Corporate Development

For the Committee on Transportation, Los Angeles City Council

January 27, 2010

Good afternoon, and thank you for the opportunity to present an update on the Zipcar/Los Angeles Car Sharing Pilot Program. My name is Jon Zeitler and I am Executive Vice President for Corporate Development at Zipcar, the world's largest car sharing service.

Car Sharing Overview

Most of you are familiar with car sharing, so I will just go through a very quick overview: car sharing involves:

- a distributed fleet of vehicles made available to members in and around where they live and work
- a self-service model with vehicles made available through the web, mobile devices and touch tone phones
- all inclusive pricing on an hourly and daily basis – gas and insurance included
- a selection of attractive, efficient vehicle models

Car sharing is designed as a replacement for car ownership. It gives people access to a car when they need one and encourages them to think of driving as only part of a suite of transportation options.

The benefits of car sharing have been documented by numerous local and national surveys. Among the key benefits are:

- Taking vehicles off the road: by most estimates, up to 15 private cars come off the road for every car sharing vehicle made available.
- Reduced driving: members report driving 40 percent fewer miles compared to when they owned a car.
- Reduced overall demand for parking: over 50 percent of members report selling an existing car or avoiding buying a new car, reducing demand for on-street and garage parking.
- Increased use of other modes of transportation: members report a 20 percent increase in transit ridership and a 10 percent increase in biking.



Los Angeles Pilot Program

Zipcar has offered a car sharing program on the campuses of UCLA and USC for several years and, on September 14, 2009, Zipcar and the City of Los Angeles officially entered into the Los Angeles pilot program. The program now consists of 16 vehicles (soon to be 18) placed on street in the immediate areas around the UCLA and USC campuses.

You have heard LA DOT's report on the results of the initial phase of the program. Here are some primary takeaways from Zipcar's point of view:

- Very strong utilization of pilot vehicles
- Good mix of business day, weeknight and weekend usage
- 134 pilot members with 300 plus existing UCLA/USC members also using the pilot vehicles
- Average trip is 7 hours – much longer than we would typically see throughout our network of cities

We believe that the early success of the program can be attributed primarily to (1) familiarity of the program to people in the area; (2) strong car location; (3) visibility of on street presence.

Member Survey

We also recently surveyed area members (including pilot members) about the program. We received more than 400 survey responses. Here are some highlights specific to the area:

- How cars are used: area members use Zipcars 1-2 times per month for:
 - errands and retail shopping
 - exploring the city
 - personal needs
 - groceries
 - appointments, like salon or doctors
- Increased mobility: nearly 9 out of 10 say they are able to get places they couldn't before, with 80 percent saying they feel more independent thanks to Zipcar.
- Few cars on the road; fewer trips: about 80 percent said that Zipcar enabled them to postpone the purchase of a car. Just over half said they are making fewer trips and 80 percent said they are making more multi-purpose trips.
- Healthier Lifestyle: about 40 percent of members report walking more and 60 percent said they are biking more than before.
- Members saving money: about 65 percent, or 2 out of every three participants, say they are saving money.
- Increased utilization: on-street spots make people more likely to use car sharing, according to 69 percent of those surveyed.



Challenges

We continue to work through several challenges for the pilot program in partnership with LA DOT. As LA DOT pointed out we continue to work through issues around unauthorized parking in reserved car sharing spaces and ticketing of Zipcars for street cleaning violations, among several other more operations challenges. The challenges to date, however, have been fairly typical of an early stage car sharing operation in a city.

Conclusion

We believe the pilot car sharing program has been a strong success to date, and is the reflection of the solid partnership between Zipcar and the City of Los Angeles. The pilot provides a small window into the potential value of car sharing to members in the Los Angeles area. This success is a result of a very deliberate and strategic approach, building on the strong demand and member base on USC and UCLA campuses and leveraging on street visibility.

We believe that Los Angeles has great potential for car sharing in the long term though it still presents many challenges. For the time being, we believe that there are other areas for car sharing in the city which successfully could be rolled out through deliberate public-private partnership elements.

We look forward to continuing to work with the city on car sharing and on its longer-term vision for transportation and mobility. Thank you.