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Yellow Light

By: Robert Plain , Corporate merger puts brakes on Ithaca Carshare program

A car sharing program was only weeks away from hitting the streets of Ithaca when a corporate merger between the two largest players in this burgeoning green industry put the local effort on hold.

Jennifer Dotson, the executive director of Ithaca Carshare, said her organization was finalizing details to work with Flexcar, a Seattle-based company, when that company joined forces with Zipcar, a Massachusetts-based company in late October. Because Zipcar is not interested in the same kind of affiliation, Ithaca Carshare is now on hold.



"We were expecting to be weeks away from a launch," Dotson, also an Ithaca Common Councilor, said. "Then the merger happened. We were hit broadside by that. The people we were working with at Flexcar tried to make it work but it became clear the arrangements were going to change."

Ithaca Carshare wanted to partner with a larger company because auto insurance for the innovative business model is prohibitively expensive when going it alone.

"In an industry like this one, insurance is one of the biggest expenses," Dotson said, noting that each car would cost about \$9,000 a year to insure.

Working with Flexcar would have not only cut that expense, she said, but also allowed Ithaca Carshare to include 18 to 20-year-olds in the program, a key demographic in a town with so many college students.

Now Ithaca Carshare is back where it was before soliciting the help of Flexcar, which ran car share programs in Portland, San Francisco, San Diego and Washington D.C., among other cities.

"Right now we're picking up our plan from before we started working with Flexcar," Dotson said. "I wouldn't even set an outside date [for a launch]."

Car sharing is the latest free-market method for getting Americans away from the idea that everyone needs their own automobile. It works by placing communal cars around an urban environment that commuters can sign up to use. Members pay to be part of the program, as well as an hourly fee for use of the car. Ithaca Carshare would have cost members \$50 a year and \$7.95 per hour.

"It sounds high until you start thinking about gas," Dotson said. Cars would come equipped with a gas card paid for by the program.

Cars can be reserved on-line, first come first serve, and Dotson said many are often reserved shortly before use.

"It works well for shopping, or doing errands," she said. "If you're going for a hike somewhere, take a Carshare car."

Ithaca Carshare was going to utilize six to 10 Nissan station wagons at first, and then add a pick-up truck when the program got off the ground, hopefully followed by hybrid automobiles in the future. They would have been parked in downtown, Fall Creek, Cornell and Ithaca College and the Ecovillage, a long-time partner in the program.

Dotson added, "The average car is parked 95-percent of the time. If we're all able to share one car, instead of having ten cars parked next to each other all day. That reduces the demand for parking spaces."

Dotson thinks the insurance hurdle will be easier to clear now that car share programs are becoming more mainstream.

"It's slightly less of an obstacle now that there is more car sharing occurring in New York," she said. Flexcar operates at the University of Rochester and Zipcar has a program in New York City, she said.

She said Ithaca Carshare has contacted other independent car share programs to see if together they can get an affordable insurance plan.

"We're doing what we can," Dotson said. "We have been in touch with other [car share programs]. They are all pulling for us. As far as what they can do, it's still up in the air."