

**Connecticut Public Transportation Commission**  
Minutes of September 5, 2013

Legislative Office Building, Hearing Room 1-C  
Hartford, Connecticut

**Attendance: Members:** Kevin Maloney, Richard Schreiner, Mort Katz, Richard Sunderhauf, Yvonne Loteczka, Chris Adams, Alan Sylvestre, Ed McAnaney. **Ex-officio members:** David LeVasseur (OPM), Fred Riese (DEEP). **Guests:** Michael Serafino, Lawrence Truman, Danielle Herbert, Greg Mackinnon, Sara LeMaster, Sean Doyle.

Chairman Kevin Maloney called the meeting to order at 1:32 pm. The minutes of the meeting of August 1 were accepted as written.

**Featured Speakers**

Michael Serafino, Vice President for Sales and Market Development at zipcar, mentioned that he is a native of Berlin, Connecticut and it is good to be back in the state. Serafino said zipcar had been acquired by Avis earlier in the year, giving it the additional resources of a \$7 billion company. By way of a quick description of zipcar, Serafino noted it is the world's largest car-sharing network with 12,000 vehicles, operating in 20 major metropolitan areas and on approximately 300 college and university campuses. Ten million drivers live within a 10 minute walk of a zipcar location.

Carsharing began in Europe after World War II when vehicles were scarce. Often a neighborhood would pool its resources and collectively purchase a car for the use of all its residents. zipcar's founder saw this model in operation in Europe and brought it to the United States, adding some technology in the process. In the zipcar model, small pods of cars are widely distributed. For instance, in New York City, 3,500 cars are spread across 600 locations. Cars are reserved by the hour.

zipcar is a membership-based organization. Basic membership is \$60/year. The membership agreement includes insurance and roadside assistance. Comparing the cost of car ownership in New York City or Boston, which Serafino put at \$1,000 to 1,600 per month, to a cost of perhaps \$250/month, which allows for ample usage of zipcar vehicles, zipcar is a bargain. No credit checks or background checks are done for zipcar membership, but membership is revoked if a driver is involved in three accidents or incidents in a three year period or two in an 18-month period, or if a driver gets a DWI violation.

Serafino defined the zipcar customer base as urbancentric, split evenly by gender, average age of 36 with 60% of customers under 35, and well educated, with

65% being college graduates. Last year, for the first time, the majority of zipcar reservations were made using mobile devices (51%) versus computers (49%). This majority for mobile devices is expected to widen. These customers use their phones to reserve the cars, access the cars, and lock and unlock the cars. Another characteristic of the zipcar customers is that many do not want to own a car. Millennials (ages 18-34) are the core of the customer base. Bicycle sharing is also popular with zipcar customers. A large percentage of zipcar customers are purposefully trying to drive less.

As to the composition of the zipcar vehicle fleet, it ranges from Mercedes and BMWs to SUVs, hybrids and Civics. The fleet also includes pure electric cars. All zipcar vehicles must get at least 30 mpg. All have automatic transmissions. Vehicles are kept for two years before being replaced. Serafino said the most reliable vehicles in the zipcar fleet have been the Audi A3 and the Toyota Prius. Members often get attached to a particular vehicle and reserve it over and over. All the vehicles in the zipcar fleet have names, and customers will commonly call to reserve a particular vehicle by name, as in "I want to reserve Mary."

zipcar was founded in Cambridge, Massachusetts at Harvard and MIT. College campuses remain an important part of the zipcar business with operations currently on over 300 campuses. The largest vehicle fleet on a campus is 65. Serafino mentioned Austin, Providence, Los Angeles and Miami as early centers of zipcar campus business. zipcar has close to 50 vehicles in New Haven at Yale, Southern, UNH and the City of New Haven. An agreement with the University of Hartford was just signed for service this fall. Trinity College has been in the zipcar "Town 'n Gown" program, as the campus business is called, for a while now.

Every zipcar takes between 10 and 20 cars off the road, 15 being the average. zipsters, as the customers are known, drive 40% fewer miles annually on average after becoming members. The use of zipcars can also cut the demand for parking. At the University of Illinois, parking demand declined 30% after zipcar came to campus. This benefit can come into play in larger cities as well, such as in congested London, which is zipcar's second largest market.

Competitors are now moving into the car-sharing market segment. Though zipcar is a trademarked name, being the dominant company means zipcar is also often used generically to describe this type of business. The zipcar model is infinitely scalable, from two cars up to the 3,500 car fleet used in New York City.

Members use a zipcard to unlock the zipcar they have reserved. The keys are tethered to the dashboard of the car. Theft of the cars is not an issue because if someone breaks into the car, they still cannot start the car unless it has received a signal to react to a specific user's zipcard. The cars, therefore, cannot be hotwired. Gas is included in the zipcar rental rate. Though members do not pay for the gas,

they are asked to always leave the vehicles with at least ¼ of a tank of gas, and to leave the car clean and free of trash. Roadside assistance or alternate transportation is included in the membership fee. The basic hourly rental rate is \$8.50 with a daily cap of 180 miles before an excess mileage fee kicks in. If a rental is to go beyond seven hours, a daily rate, generally in the \$67.00 to 70.00, range is applied. Higher fees come into play for premium vehicles and more expensive markets. Serafino cited a rate of \$14/hour for a Mercedes C300 in New York City as the upper end of the rental scale.

zipcar has 700 employees. It had \$300 million in annual revenues at the time it was acquired by Avis. There is some fleet sharing between Avis and zipcar. Avis has also turned over some spaces at airports to zipcar. zipcar now has operations at 22 airports.

Although most zipcars are GPS-compatible, most do not have GPS installed in them. Typically zipcar members do not want devices in their cars.

zipcar headquarters have very recently moved from Cambridge to Boston.

Regarding branding identification on its cars, Serafino noted that members reserving BMWs, Mercedes or Audis prefer not to have zipcar branding on their vehicles and in some cases have taken it upon themselves to remove it. Most zipcar vehicles have at least a decal on the windshield and many have branding on the curbside door which acts as an advertisement to sidewalk traffic.

### **Comments from the public**

None.

### **Comments from Operating Entities**

Rich Sunderhauf noted that hearings are underway for a proposed CT Transit fare increase due to take effect in January. Also, some relatively minor route and schedule revisions on CT Transit went into effect in the Hartford Division on August 18. Lastly, a new buswash has been installed at the Hartford Division garage.

Rick Schreiner said a fare increase on HARTransit is going into effect on September 14. There was very minimal interest shown in the fare increase at public hearings. The age to qualify for the senior discount has also been raised from 60 to 65.

### **Chairman's Report**

Chairman Maloney read a message from Mort Katz advocating ConnDOT's assistance in publicizing the Commission's public hearings through press releases, and articulating the value of the public hearings.

Kevin then listed the times and locations of the four fall public hearings. These are: September 18 at the Orange Town Hall, September 24 at the New Milford Town Hall, October 15 at the Enfield Town Hall and October 22 at New London City Hall. All hearings begin at 7:30 PM.

**Old Business**

None.

**New Business**

Fred Riese mentioned two topics in particular on which public testimony would be helpful at the hearings. These are the experience of the public with the new Magic Carpet bus service that went into operation in Enfield early in the year and the experience of Shore Line East riders and marina and boating interests with the expanded Shore Line East schedule that went into effect in late May. These would be topics at the Enfield and New London public hearings, respectively.

Chairman Maloney closed the meeting at 2:30 PM.