

Rental cars at a penny a minute could be answer to urban snarls

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By Clara Germani Staff writer of The Christian Science Monitor
Twitter: @claragermani

San Francisco

For \$1.20, Arie Schuurman can get a round-trip ride on the bus to the grocery store a mile from the massive Parkmerced apartment community where he lives. But starting earlier this month, he could rent a car for the same trip for cheaper than he can take a bus.

For a penny a minute and 14 cents a mile -- 58 cents for a half-hour trip to the same market -- Mr. Schuurman can take a car at a moment's notice and be billed for it at the end of the month.

Mr. Schuurman, a civil engineer with Pacific Gas & Electric, was one of the first to sign up for the new transit program STAR (Short Term Auto Rental) here. The privately run and financed program, along with a similar one at Purdue University, is being monitored by state and federal transportation experts, who see it as a new way to draw that class of Americans wedded to its automobile into an energy and cost-saving program that could also reduce traffic and parking congestion.

"This is a Republican answer to ride-sharing," says Tom Sparrow, director of Purdue's automotive transportation center, where short-term rental is used with a micro-mini car-rental project. "You're never going to get a certain part of the population to use public transit because fixed schedules just aren't for everyone."

The idea for San Francisco's STAR project stems from studies showing that an average of one-third of the cars in a residential parking lot are left unused during the day, explains John Crain, owner of the San Francisco STAR program. Mr. Crain is a Los Altos, Calif., consultant who has helped develop transit programs in such places as Austin, Texas; Phoenix, Ariz.; Los Angeles, and Seattle.

The STAR and Purdue programs both encourage use of economy cars for urban driving and larger cars for longer trips. However, the two programs reflect the different needs of their regions.

In San Francisco, the concept is to reduce parking and traffic jams and to wean people from auto ownership - problems endemic to congested areas of the western United States. The Purdue program was funded as an attempt to improve the market for small cars and thus help Indiana's depressed auto industry.

The short-term rental concept would reduce the number of vehicles on the road, but increase the time of use of individual cars and allow people to tailor transportation to their needs. STAR, situated in an apartment complex very well served by public transit, would save its members the cost of owning a car. The Purdue program could keep would-be two-car families to one-small-car families.

The STAR project will ultimately have a 70-car fleet, Mr. Crain says. Use is limited to those of Parkmerced's 9,000 residents who pay a \$25 yearly membership fee. Handling costs - and those ubiquitous rental car pickup and return queues - are reduced because members' billing and insurance information are already on record.

A member has access to cars 24 hours a day and can simply pick up keys whenever he needs a car. Prices start at 60 cents an hour and 14 cents a mile with a \$5-a-day maximum charge for economy cars, and run to a high of 90 cents an hour and 18 cents a mile with a \$9-a-day maximum for full-size cars.

In surveys done at Parkmerced, 7 percent of the residents expressed interest in the project. Two-thirds of those were car owners. Mr. Crain says he can turn a profit if 8 percent of the Parkmerced community participates in STAR. Even though STAR is cheap, a profit is possible, he says, because earnings are calculated on cars being rented constantly.

So for short-term use for an individual the price is very cheap, but if the car is in constant use it will bring returns comparable to those in the general rental market. Ultimately he hopes STAR can be used by public transit agencies in their movement toward "full service."

The Purdue program, Mr. Sparrow says, "is an intermediate step for semi-affluent people who need two cars but don't have the resources to buy two."

In the three-year Purdue experiment, started by a Lilly Endowment grant last January, 20 participants pay \$208 a month. For that price they are given a Japanese mini-micro car, a restricted-use urban auto that won't go more than 50 miles per hour. They keep the car in their own garages and pay only for gas. The rental price includes coupons for the periodic use of full-size cars for freeway or long-distance use.

Mr. Sparrow says that participation is restricted to university personnel and that interest in the project is high, with about 60 more families wanting to participate.

Caltrans (California Department of Transportation) and the federal Urban Mass Transportation Administration provided funding for the feasibility study that generated the STAR project.