

Vehicle sharing in northern Alberta... does it have wheels?



Contents

Vehicle sharing in northern Alberta...does it have wheels?	1
What is car sharing?.....	1
What is ridesharing?	1
Who can be a member of a car sharing organization?	2
Fee structure models	2
Does car sharing work in rural areas?.....	2
Success in practice	3
Conclusion.....	5
Additional Resources	6
Works Cited.....	7

NADC'S VISION

A stronger Alberta through a stronger north

NADC'S MISSION

The NADC's mission is to identify and implement sustainable measures that will advance northern development and advise government on opportunities and issues for the benefit of Albertans



Northern Alberta Development Council
206 Provincial Building
9621 – 96 Avenue
Bag 900-14
Peace River AB T8S 1T4
T 780.624.6274
TF first dial 310.0000
F 780.624.6184
E nadc.council@gov.ab.ca

www.nadc.ca

www.benorth.ca

www.opportunitynorth.ca



Like us on Facebook



Follow us on Twitter

Vehicle sharing in northern Alberta...does it have wheels?

The transportation network in northern Alberta is geared towards individual vehicle users. Although passenger bus service exists in many communities in northern Alberta, train service does not and flights are expensive. Transportation within communities can also be a challenge for those without personal vehicles – some communities do not have taxi service or car rental agencies. Where rental vehicle agencies do exist, renting vehicles to run errands in town or in nearby cities is expensive. In most communities, the cost of renting a vehicle and driving more than 200 kilometers round trip will cost over \$200, once the cost of fuel is added to the cost of the rental and insurance. Without access to a personal vehicle, individuals and families may have difficulty accessing economic and social opportunities.

A possible alternative to personal vehicle ownership is vehicle sharing. This paper focuses on models of car sharing, where an organization or a group of individuals or households share a vehicle in lieu of personal vehicle ownership. Ride sharing is another common form of vehicle sharing – see the sidebar on page 2 for more information on ride sharing.

What is car sharing?

Car sharing arrangements involve several people sharing one or several vehicles owned collectively (co-op model, where members purchase shares) or by a for profit business.

For profit car sharing programs currently exist in Vancouver, Saskatoon, Toronto, Kingston, Ottawa, Gatineau, Montreal, Sherbrooke, Quebec City and Halifax (McLaughlin, 2012). Hertz, a car rental agency, runs a car sharing program serving several cities in the United States and Europe. In Canada, students at the University of Calgary and the University of Alberta have access to the Hertz Connect program (Hertz, 2012). In large markets, there are often several car sharing organizations competing with each other, keeping rates low. Cooperatives often exist alongside for-profit organizations in large centers.

Car sharing cooperatives exist in urban and rural markets. Currently, co-operatives operate in Victoria, Vancouver, Whistler, Nanaimo, the Kootenay region, Calgary, Regina, Winnipeg, Toronto, Kitchener-Waterloo and Hamilton (McLaughlin, 2012).

Members of car sharing organizations join for a variety of reasons – some may need an occasional second vehicle, while others may choose to use car sharing instead of owning a personal vehicle. Car sharing is viewed as a less expensive alternate to owning a vehicle, as insurance, maintenance, roadside assistance and gas are covered by membership and usage fees.

What is ridesharing?

Ride sharing is where one person owns a vehicle and sharing is destination based. Informal ride sharing networks are common in northern Alberta – a formalized ride sharing network could capitalize on the already prevalent practice. There are several existing ride share programs that could be used as a model; www.erideshare.com allows users to post trips they plan on making or post a request for a ride, and www.carpool.ca allows users to establish regular car-pooling arrangements instead of individual trips. Unlike car sharing, there are no pre-determined fees associated with non-profit or cooperative ride sharing programs. It is up to the individuals involved in ride sharing to determine who pays for gas, etc.

Who can be a member of a car sharing organization?

The existing car sharing organizations in Canada have similar requirements for membership. Generally, potential members must:

- Provide a driver's abstract for the past 3-5 years from all jurisdictions where a license was issued, or authorize the organization to access the driver's abstract;
- Hold a valid driver's license;
- Have very few driving infractions over the past 5 years on their record (generally no more than 3);
- Have no criminal driving charges or convictions;
- Have 0-1 at fault driving accident over the past 5 years on their record.

Most organizations, particularly cooperatives, require their new members to attend an orientation session. An application fee, membership share or annual fee may also be required.

Fee structure models

For profit and cooperative car sharing organizations have similar fee structures. Both types of organization often require a sign-up fee, charge monthly fees based on use, and may charge for extra miles outside of the base monthly fee. The primary difference between the two business models is that the sign-up fee for co-operatives is refundable if membership is terminated, whereas membership fees in for profits are non-refundable.

Car sharing is a less expensive alternative to owning or frequently renting a vehicle. Car sharing organizations include the cost of insurance, gas and maintenance when calculating membership and monthly fees. For example, Zipcar, a for profit car sharing company based out of Massachusetts has cars in Toronto and Vancouver and has two plans available to members; an occasional driving plan, and extra value plans. The occasional driving plan requires an application fee of \$25, and an annual fee of \$65. The hourly rate is \$7.75, and the maximum daily rate is \$71, \$77 on the weekends (Zipcar, 2012). The fee structure for cooperative organizations is similar. The Calgary Alternative Transportation Cooperative requires a \$500 membership share from individual members, and \$1000 from business members. All drivers are charged an additional \$5 a month for maintenance of the Cooperative's vehicles, and for services such as roadside assistance. Members pay \$0.25 per kilometer, and \$5.50 per each hour they use the vehicle between 8 AM and midnight. From midnight to 8 AM, there is no hourly charge. The maximum amount a member will pay for reserving a vehicle for 24 hours is \$40 during weekdays, \$60 during weekends plus the per kilometer charge (Calgary Alternative Transportation Cooperative, 2012).

Does car sharing work in rural areas?



In urban areas, car sharing is one piece of a suite of different transportation options. Public transportation, car-pooling, walking and cycling are all alternatives to individual vehicle ownership in an urban area. Car sharing in larger markets appeals to those who may occasionally need a vehicle to run errands, or may need an occasional second vehicle for their household. Members of car sharing

organizations in rural areas face a different set of transportation challenges. Rural car sharing organizations are an alternative to individual car ownership, instead of one option of many.

In order to establish if a car sharing program is viable in a rural community, several factors must be considered. These include:

- Approximate annual mileage of residents;
- Distance between services;
- Types of transportation available;
- Cost of available transportation options;
- Accessibility and location of housing;
- Accessibility of other modes of transportation;
- Current barriers for non-drivers or those with limitations; and
- Quality of available options. (Kirkbride, 2010)

Although most car sharing organizations operate in urban areas, several rural areas have explored the possibility of establishing a car sharing organization, and several have established cooperatives. Modo, the Vancouver car sharing cooperative, has vehicles in Whistler and Tofino (Millard-Ball et al, 2006). A car sharing cooperative was established in Smithers, B.C. (Matte, interview, 2012). A report assessing the viability of a car sharing organization in Haliburton County, Ontario, was completed in 2010 (Kirkbride, 2010). There is also interest in establishing a car sharing program in rural New Brunswick (Matte, interview, 2012).

Success in practice



The largest rural car sharing cooperative is the Kootenay Carshare Cooperative. Originally established as the Nelson Carshare Cooperative in 2001, it now has over 200 members. The Kootenay Carshare Cooperative, based out of Nelson, B.C., currently serves five communities in the Regional Districts of East and Central Kootenay: Nelson (pop. 10, 230), Revelstoke (pop. 7, 139), Kaslo (pop. 1, 026), Fernie (pop. 4, 811) and Kimberley (pop. 6, 652).

The manager of the Kootenay Carshare Cooperative, Colleen Matte, gave an overview of how the Cooperative operates, and how a car sharing business can be successful in small urban areas. The Kootenay Carshare Cooperative began as the Nelson Carshare Co-Operative in 2001. A group of friends owned personal vehicles, and decided that group ownership was a viable alternative to each individual owning their own car. Originally, the first vehicle was donated by a founding member. Each member paid a \$500 share, and that went to maintenance and insurance. Advertising for the Cooperative was mostly through word of mouth and classified ads. Administrative duties were performed by volunteers in exchange for credits towards vehicle use. As the Cooperative grew, a full time manager was hired, and a new website was developed.

The Cooperative serves individuals, businesses and non-profit organizations. Individuals are required to pay a \$500 membership share. Payment plans and loan options are available for those who cannot cover the share upfront. Monthly fees for individuals are based on usage, and gas and insurance are covered by the cooperative. Businesses purchase memberships shares for a higher price, and multiple drivers from the business can use the vehicles. Business members pay the same fee every month, regardless of usage volume. The monthly fees for non-profits, like individuals, are usage based.

In order to reduce the cost of purchasing vehicles, the Kootenay Carshare Cooperative purchases used vehicles in good working order. Occasionally, individuals choose to donate their vehicles to the cooperative.

The manager of the Kootenay Carshare Cooperative is based out of Nelson, and the other four communities have a volunteer coordinator. These volunteers are responsible for giving orientations to new cooperative members and promoting the cooperative in their community. Booking a vehicle is done through an online system, and lock boxes are used for all of the vehicles in the Kootenay Carshare fleet. There is diversity in the vehicles available to members – pick-up trucks, vans, SUVs and small cars are available. Vehicles can be booked for a period of up to 30 days. Most of the Cooperative's vehicles are stationed in Nelson, but each community has at least one car and a pickup truck. All vehicles are booked online.

Similar to communities in northern Alberta, communities in the Kootenay region are separated by significant distance, and available services vary from community to community. For individuals who do not own a vehicle or require the use of a second vehicle to make trips, or would like to use a type of vehicle they do not own, car sharing is a less expensive alternative to ownership.

One consideration for communities or organizations looking at the development of a car sharing organization is the impact on existing business. The example of the Kootenay Carshare Cooperative shows that the impact would likely be incremental. Although car rental agencies and taxi companies are present in the communities the Cooperative serves, the impact of the on these businesses is minimal. Since the Kootenay region is a popular tourist destination, vehicle rental agencies draw their business from visitors and non-permanent residents. Joining the Cooperative requires commitment – in addition to the \$500 deposit, members must attend a two hour orientation session and remain part of the co-op for at least 6 months. While the Cooperative may impact taxi companies, those who do not or cannot drive still use taxis when a vehicle is required.

The Kootenay Carshare Cooperative is an example of how smaller communities spread over a considerable distance can successfully support an alternative transportation network. If a car sharing cooperative or business is to be profitable in smaller communities, advertising and education about alternative transportation in the community is a necessary first step. Partnerships would need to be developed with non-profits and small businesses, and buy-in would need to be sought from the local government. Communities hoping to replicate the success of the Kootenay Carshare Cooperative could start with a small group of dedicated members, preferably ten drivers to one car, and start with two vehicles in one community.



Conclusion

The development of car sharing organizations in northern Alberta could be considered as an addition to the current forms of transportation available to residents of northern communities. Although most car sharing organizations in Canada are based in urban centers, there is a need for access to vehicles in rural areas.

Car sharing is a less expensive alternative to car ownership or frequent rental, and at least one rental agency has a car sharing program in Canada. The cooperative model has proven successful in the Kootenay region in British Columbia, and the model used by the Kootenay Carshare Cooperative could be applied to several regions of northern Alberta. In order to be successful, groups or individuals interested in establishing a car sharing organization in northern Alberta must assess their community's transportation needs, build support for a car sharing organization, build a base of volunteers, and find the capital to purchase several used vehicles, or find willing donors to give their vehicles to the organization.



Additional Resources

Vehicle Sharing

The Car Sharing Library, CarSharing Network. <http://www.carsharing.net/library/index.html>

Car Sharing in Canada: Making More Sustainable Personal Travel Choices, Transport Canada. <http://www.tc.gc.ca/eng/programs/environment-utsp-carsharing-1068.htm>

Developing a Car Sharing Service in a Hostile Environment: The Virtues of Pragmatism, Benoit Robert. http://www.communauto.com/images/03.coupures_de_presse/Dev_CarSharing%20Service.pdf

Car-Sharing Canada, <http://www.carsharing.ca/>

Carsharing: A Guide for Local Planners, Adam Cohen, Susan Shaheen, Ryan McKenzie. <http://76.12.4.249/artman2/uploads/1/pasmemo0508.pdf>

Vehicle Sharing Organizations

British Columbia

Kootenay Carshare Cooperative (Nelson, Fernie, Kaslo, Revelstoke, Kimberly, BC): <http://www.carsharecoop.ca/>

Nanaimo Carshare: <http://nanaimocarshare.ca/>

Modo (Vancouver): <http://www.modo.coop/>

Victoria Car Share Co-Op: <http://victoriacarshare.ca/drupal-6.2/>

Zip Car (Toronto, Vancouver): <http://www.zipcar.com/>

Alberta

Calgary Alternative Transportation Cooperative: <http://walk.to/catco/>

Saskatchewan

Regina Car Share Cooperative: <http://www.reginacarshare.ca/>

Manitoba

Peg City Car Co-Op (Winnipeg): <http://winnipegcarshare.com>

Ontario

VrtuCar (Ottawa/Gatineau): <http://www.vrtucar.com/>

Grand River Carshare (Kitchener, Waterloo, Cambridge, Hamilton): <http://communitycarshare.ca/grandriver/>

Toronto Autosshare: <http://www.autosshare.com/>

Zip Car (Toronto, Vancouver): <http://www.zipcar.com/>

Quebec

Communauto (Montréal, Québec, Sherbrooke): http://www.communauto.com/index_ENG.html

Nova Scotia

CarShare HFX: <http://www.carsharehfx.ca/#>

Cooperatives and Community Funding

Alberta Community and Cooperative Association: <http://acca.coop/>

Canadian Co-Operative Association: <http://www.coopscanada.coop/>

Community and Regional Economic Development Funding Programs, Alberta Enterprise and Advanced Education. <http://eae.alberta.ca/media/324115/funding-programs-community-regional-economic-development.pdf>

Car Sharing Cooperatives in Canada, Canadian Co-Operative Association. http://www.coopscanada.coop/public_html/assets/firefly/files/files/Microsoft_Word_-_CAR_SHARING_REPORT_FINAL.pdf

Works Cited

Hertz Car Rental Agency. "Hertz On Demand: Where we are located," Online, June 11, 2012.

<http://www.hertzondemand.com/Denver/en-US/Location/Index>

Kirkbride, Stacy. *Issues and Barriers in Rural Transportation – Models for Car Sharing and Opportunities in Haliburton County*. U-Link Centre for Community Based Research, Minden, ON, 2010.

http://www.haliburtoncooperative.on.ca/literature/pdf/Models_for_Car_Sharing.pdf

Matte, Colleen. Phone interview, May 24, 2012.

McLaughlin, Kevin. "Where can I find car sharing?" Online, June 11, 2012. <http://www.carsharing.net/where.html>

Millard-Ball, Adam; Murray, Gail; Ter Schure, Jessica; Fox, Christine; and Burkhardt, John. *Car sharing: Where and How it Succeeds*. Transit Cooperative Research Program, Report 108, Washington, DC, 2006.

Kootenay Carshare Cooperative. "How Much?" Online, March 23, 2012. <http://www.carsharecoop.ca/how-it-works/how-much/>

Zipcar. "Rates and Plans: Vancouver." Online, March 23, 2012. <http://www.zipcar.com/vancouver/check-rates>



Revving up the North

Northern Alberta Development Council
206 Provincial Building
9621 – 96 Avenue
Bag 900-14
Peace River AB T8S 1T4
T 780.624.6274
TF first dial 310.0000
F 780.624.6184
E nadc.council@gov.ab.ca



**Northern
Alberta**
Development
Council