

Commission on Travel Demand Shared Mobility Inquiry: Call for evidence

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Dear Commission,

I am writing to you from Enterprise Holdings the world's largest private mobility provider that operates more than 2 million shared assets across the globe. In the UK we have more than 100,000 vehicles provided on demand via Enterprise Rent-a-Car, National, Alamo, Enterprise Car Club and Enterprise Flex-e-Rent, which is HGVs and LCVs. Over the last few years we have become far more engaged in the mobility as a service space both as an operator but also through our Clayton Investments arm of the business where we have spent in excess of \$2bn in transformational technologies.

We acknowledge that the solution is multi-modal and are part of the MaaS alliance where we are interacting with many of the key stakeholders in mobility as a service.

Nationally, we are the founding member of the Urban Mobility Partnership alongside Stagecoach. We have been looking at ways to ensure MaaS is delivered fairly and is successful. We see the implementation of clean air zones and the recently announced future mobility zones as the perfect foundational phases to implement mobility as a service pilots across the UK.

Enterprise deals with retail and business customers, we are witnessing a movement away from people opting to own and use their personal vehicles for commercial travel. The primary barrier is still that one mode may not be able to complete an entire trip therefore there must be a suite of mobility options and car club and daily rental vehicles should be placed at strategic locations, such as a train stations to enable this behavior shift. In some cases, mobility hubs will be the best option where there is shared EV infrastructure for bikes, buses and cars at key travel terminals or large-scale urban developments. Greyfleet still remains a major deterrent for this behavior change as many business travelers receive significant compensation for opting to use their own motor vehicle. Our experience with customers is that many people only drive to work because they may need to travel offsite during the day. We have found that a provision of car club vehicles at businesses has meant that many staff members take public transport to work and then use the car club vehicles to do their trips during the day. Whereas previously they would have commuted to work in a, most likely, higher polluting older vehicle. A recent example would be Highland Council in Scotland where adopting a car club model resulted in a reduction in transportation costs for the local authority of 33% and reduced their carbon emission by 50 tCO₂e.^{1,2} This was achieved by introducing a fleet of 35 vehicles at the local authority. We have several similar examples in urban areas, but I wanted to provide the Highland Council example because this is an area that is not urban but has still managed to make a substantial change to their travel solutions in work.

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² <https://www.fleetnews.co.uk/news/fleet-industry-news/2019/03/26/highland-council-cuts-travel-costs-by-a-third>

Historically, transport modes have often worked in silos and there has not been many cases of public transport and private transport providers working in partnership. Over the last 12 months we have seen a significant change in the behavior of modal operators. For example, Enterprise has developed a MaaS pilot with TfGM and the partners include Stagecoach Group where a much more compelling multi modal offering is being developing than has been in the past. Stats imply that most private vehicles are parked 95%³ of the time and 2016 figures recorded that over 60% of all trips are made by car⁴. There is going to be a substantial increase in urban density and to ensure that congestion is reduced, and air quality improved there is a mutual understanding across the transport sector that things do need to change, and no mode can solve the problem alone. The rental sector typically owns their vehicles for between 8 and 12 months which is newer than the private car park. Also, revenue is derived from utilisation, so the vehicles are in use most of the time. Taking this into consideration, it indicates that to provide consumers with flexibility and the freedom of private ownership they must have access to all modes on demand and car hire and club compliment more traditional forms of mass transit. I would add that there is sometimes a misconception in our sector that car club is the solution and daily rental is the problem, this is not the case and the traditional vehicle rental modal is rapidly evolving as a viable alternative to ownership rather than just something that people use who already own cars.

Over the last twelve months we have been working with large modal providers to call on the Government to develop a national scrappage scheme for vehicles that are Euro 4 and below where the owner will receive a credit of between £2,000-4,000 that can be spent on mobility. It is our view that this should be delivered on a maas platform to allow for innovation. The UK Government has now included this scheme in their guidance for Future Mobility Zone funding. Major UK cities could roll this out to get rid of high polluting cars that retain very little residual value and in turn this measure would mitigate against any congestion charge. A similar scheme could also be adopted for businesses to bid for and could run in conjunction with the introduction of parking levies.

Enterprise has doubled the number of EVs and hybrids that we purchase in the last year, but the biggest barrier is supply and price parity. Additionally, we want to see seamless access to charging points for our customers to make it as easy as filling up a car with traditional fuel types. The ability to pay for the fuel should be enabled on maas platforms. In highly populated urban areas, it would be sensible to develop electric mobility hubs, as stated above.

In terms of parking, we are currently trialing a programme where companies have car club vehicles at their sites and users pay a small fee for the hours they commute but during the working day the vehicles are available to other members of the business and when driven home they are available to rent to the public. Since one car club vehicle removes twelve private vehicles off the road then it is essential parking allocations at residential and commercial developments reflect this, fewer spaces but a car club provision at all major developments would achieve this. It could be financed via section 106 where the owner of a dwelling receives a nominal fee to spent on mobility.

³ <http://fortune.com/2016/03/13/cars-parked-95-percent-of-time/>

⁴ <https://www.gov.uk/government/statistics/national-travel-survey-2016>

Please do not hesitate to contact me for any further information.



Yours sincerely

James Lancaster

Head of Policy at Enterprise Holdings

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