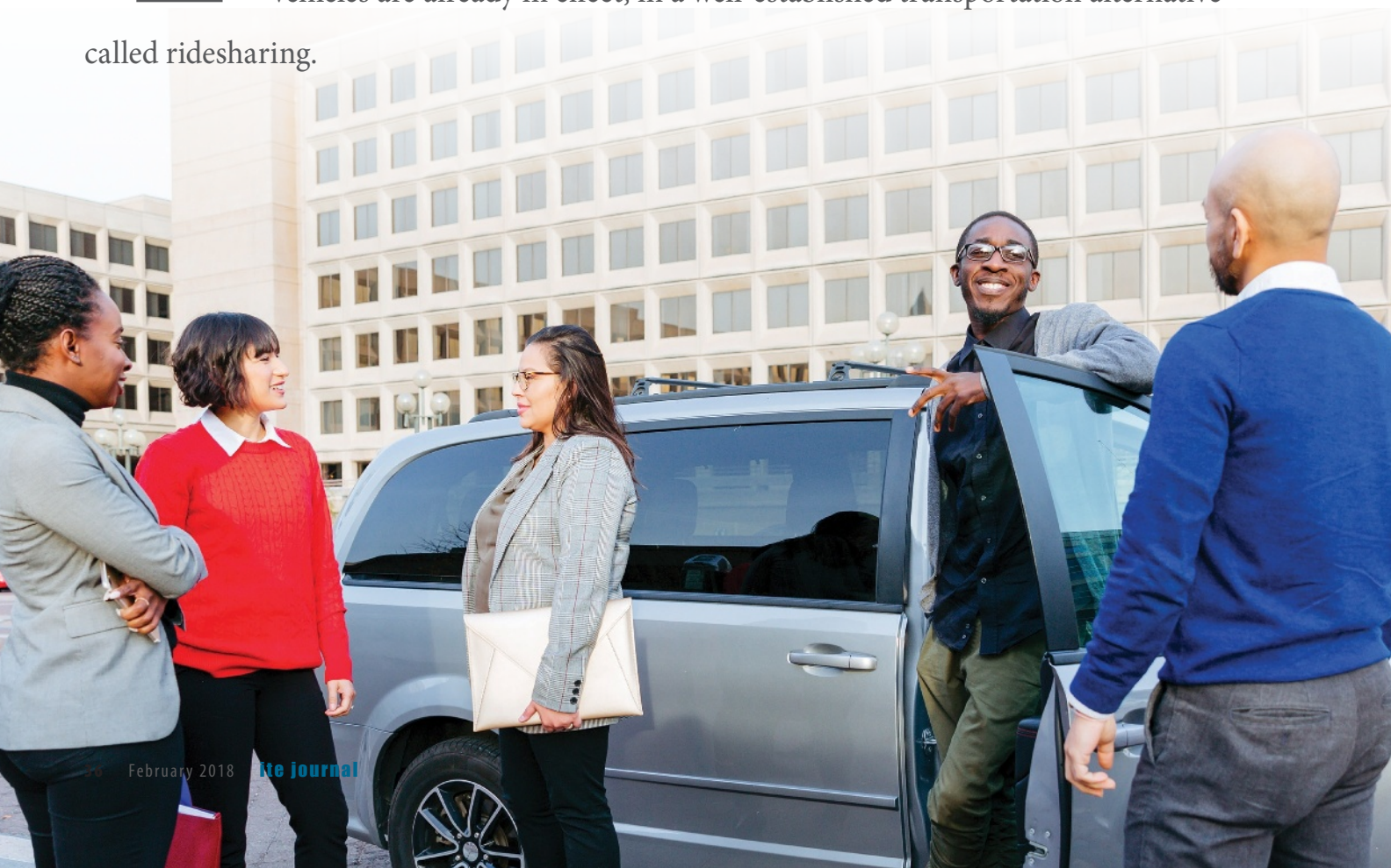




The Value of Vanpooling as a Strategic, Cost-effective, and Sustainable Transportation Option

BY MIKE MANGAN

There is little doubt that autonomous technology will someday have a major impact on ground transportation—it's just a matter of time. But what provocative headlines have overlooked thus far is that some of the benefits of autonomous vehicles are already in effect, in a well-established transportation alternative called ridesharing.



In fact, despite what you may have heard or read about the term ridesharing—as it has recently become associated with companies that connect drivers and riders through smart phone apps—the U.S. Department of Transportation defines it as “the practice of sharing rides or transportation, especially by commuters, typically in the form of carpooling and vanpooling.”¹

Understanding the value of ridesharing through carpooling and vanpooling—and how it differs from technology-enabled apps that operate using a ride-hailing business model—requires some context and a bit of a history lesson.

The Origins of Ridesharing

In 1973, the United States was hit with an organized oil embargo, which prompted gas prices as well as consumer anxiety to spike at the pump. Yet, as so often happens, change and hardship led to innovation. Companies and local governments launched ridesharing programs—most notably vanpooling—to help employees who were struggling with the cost of driving to and from work.

These programs quickly became popular and were soon perceived as a valuable employee benefit, even after the crisis passed and gas prices eventually normalized. More than 40 years later, the vanpooling industry is here to stay for a variety of economic and social reasons:

- **Money:** For an average commute of 100 miles per day, ridesharing saves individuals up to \$10,000 per year by reducing the cost of tolls, gas, vehicle maintenance, and depreciation. And, vanpooling uses unpaid, volunteer drivers, not for-hire services.
- **Time:** With no need to focus on traffic, the average vanpool passenger is getting nearly two hours (106 minutes) of each day back to read, email, nap, shop, talk, watch TV, or whatever else he or she would like to do with the newfound time when not taking a turn driving.
- **Safety:** Commuter vanpools have proven to be the safest mode of public transportation when compared to motor bus, light rail, heavy rail, commuter rail, and demand response services.²
- **Stress:** Vanpool passengers’ stress levels decrease more than 20 percent compared to their single-occupant counterparts in single-occupant vehicles.³
- **Access:** Vanpools are a low-cost way to expand public transit options outside metropolitan areas.

Strategic, Cost-Effective & Sustainable

At Enterprise Holdings, vanpool programs are operated through the Enterprise Rideshare division, which takes more than 100,000 individual cars off the road every business day—eliminating more than 2.4 billion commuter miles driven each year.⁴ As a result, Enterprise Holdings strongly believes that local vanpooling



Riders save time and money, as well as reduce commuting stress, by forming a vanpool.

programs address both national and regional needs by reducing traffic jams and carbon emissions while providing commuters with a smarter, better way to get to work. Simply put, vanpooling continues to offer one of the most strategic, cost-effective, and sustainable transportation options available.

Based on annual passenger miles, Enterprise Rideshare would rank as the fourth-largest public transit provider in the United States today and is supported by the extensive Enterprise Rent-A-Car neighborhood network, enabling the division to deliver a level of fleet flexibility and local service unmatched in the vanpool industry.⁵ For example, in 2015, Enterprise Rideshare launched a partnership with the Community Transportation Association of America to provide organizations with the resources to start up or expand vanpool programs of any size. Two of Enterprise’s vRide partners also were recognized in 2016 by the Association for Commuter Transportation (ACT) for ridership growth and collaborative spirit in promoting vanpool initiatives.

Here’s how vanpooling typically works:

- Five or more riders who want to save time and money, as well as reduce stress on the way to and from work, get together to form a vanpool.
- The group determines a convenient meeting time and number of pick-up points along the way.
- Unlike the ride-hailing business model—Uber or Lyft, for example—vanpool drivers are unpaid volunteers. In many cases, the vanpool participants volunteer and take turns driving.

In addition to all the above, vanpooling can also provide tax benefits. Many employers offer the federal commuter transit benefit, which allows employees to set aside costs associated with their commute on a tax-free basis.

In 2016, Congress passed new legislation—governed by section 132(f) of the IRS tax code—that established permanent parity between the parking portion of this benefit and the transit and vanpool portion, raising the pretax cap on transit and vanpool benefits to \$255 per month.

Public/Private Partnerships

Enterprise provides regional vanpool services in more than 70 U.S. cities and also helps state governments add vanpool services to their public transit networks. Recent city/state partnerships include the following:

- Enterprise Rideshare has applied with the Pennsylvania Department of Transportation to launch a new statewide public transit program: the Pennsylvania Vanpool Incentive Program (PVIP). This opportunity proposes to create 100 new vanpools statewide and decrease commuting costs for riders by more than 50 percent.
- In Rochester, NY, USA, city officials worked with Enterprise to expand the city's vanpool pilot program in November 2017 to help transport commuters who live in high-poverty neighborhoods. The program is funded by a grant from the New York State Transportation Department.
- Nebraska's Department of Transportation launched a statewide vanpool program in June 2017, with Enterprise Rideshare supplying vans equipped with Wi-Fi, satellite radio, 24-hour roadside assistance, liability insurance, and scheduled maintenance.

Given that breadth of service and expertise, Enterprise recognizes the important role public/private partnerships play in bringing vanpool services to commuters who lack access to traditional services such as light rail, heavy rail, or bus.



Ridesharing saves individuals up to \$10,000 per year by reducing the cost of tolls, gas, vehicle maintenance, and depreciation.



By taking turns driving, the average vanpool passenger gets nearly two hours of each day back to read, email, nap, shop, talk, or watch TV while commuting.

Transportation Infrastructure

Down the road, experts like Jacob Mason envision that vanpooling will continue to play an important role in an autonomous vehicle society. Mason is a transportation researcher at the University of California Davis' Institute for Transportation Development Policy, a nonprofit organization that develops bus rapid transit systems and promotes environmentally friendly urban planning. "With vehicle automation and better technology, those [vanpooling programs] could really supplement the existing public transit network in lower-demand areas," he told CITYLAB.⁶

Until then, Enterprise Rideshare users are able to take advantage of a number of additional benefits in one low, monthly rate, including:

- **Quality Vehicles:** Enterprise Rideshare vanpools feature new models of crossovers, SUVs, minivans, and large passenger vans. In addition, many vanpools are equipped with such high-end features as in-vehicle WiFi, GPS, satellite radio, and HD traffic capabilities.
- **Safety:** The service provides scheduled service and maintenance and 24-hour roadside assistance.
- **Convenient Commuting Routes:** Vanpool participants determine driving responsibilities and routing among themselves—unlike ride hailing apps that require you to request, wait, and pay for each use. Enterprise also offers a free ride-matching program to help find co-workers with similar hours and routes.
- **Guaranteed Ride Home:** Thanks to our extensive Enterprise neighborhood network, vanpoolers have access to Enterprise's Guaranteed Ride Home program, which ensures they can leave work at unscheduled times when the need arises.

It is critical to keep investing in commuter transportation solutions like vanpooling that create long-term value. Vanpooling

remains an affordable, efficient commuting solution that works—for commuters’ pocketbooks, for the environment, and for our communities. And Enterprise Rideshare is ideally positioned to further integrate vanpooling into local and regional transportation infrastructure as new technology is introduced, tested, and ultimately embraced by businesses, government agencies, and individual consumers. **itej**

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