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**An Examination of the use of personal vehicles or taxis
verses an airport shuttle service for your ground
transportation needs**

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Introduction

In these economic times, companies are searching for ways to save money. At the same time, corporate travel management and procurement professionals want and need to improve traveler safety, reduce corporate liability and lower the carbon footprint of their corporate travel programs.

Many companies have overlooked ground transportation to and from airports to hotels, campuses, meetings and events as an effective solution to each of these considerations.

Problem Statement

While travel and procurement executives spend much of their time evaluating preferred supplier relationships with travel management companies, airlines, hotels and car rental companies, the cost of getting to and from airports, hotels, convention centers, etc. is generally not a front-of-mind concern nor is it viewed as an area where significant costs can be achieved.

The Situation

While cost continues to be the leading driver of decision making, ground transportation is unique in that the options available to a traveler -- using a personal vehicle, hailing a taxi or boarding an airport shuttle each have very specific issues and concerns . In addition to cost, the ground transportation industry is highly fragmented, and in many cases, not properly regulated bringing a host of other concerns to the table, including passenger safety, corporate liability and fiscal oversight.

As with all other forms of corporate travel, ground transportation is an expense that must be managed and controlled.

Unfortunately, because ground transportation expenses are generally less than 15% of a company's total travel budget, the development of policies and preferred supplier relationships are often an afterthought, if not ignored completely.

The Challenges

The dilemma for travelers as well as travel managers and procurement executives is "what is the cheapest, fastest, safest and most convenient way to get from A to B."

Taxis: Whether regulated or not, the taxi industry brings a host of concerns to the forefront: mechanical safety of the vehicle, validity of the driver's license, driver training, and the mere fact that drivers are rarely, if

ever, required to submit to background checks or participate in random drug testing.

Beyond the potential mechanical and driver deficiencies, many metropolitan areas permit drivers who are unfamiliar with the city, pick up passengers.

Without knowledge of the area, passengers are left with few routing options to combat traffic, construction work, or other impediments to a speedy arrival.

Safety is always a concern, whether the vehicle is well maintained or not.

In most metropolitan areas, taxi driver income is determined by how many trips they can log in a set period of time. The longer it takes to get to a destination, the more money they lose. The stereotypical NY cabbie is, unfortunately more a reality than anyone likes to admit, and accidents and injuries caused by frustrated drivers trying to increase earnings by cutting corners (literally), is a tremendous concern.

Finally, even in the best cases, the insurance levels required for taxi operations are far less than many think. An injury to a key executive can be a tremendous loss of time, productivity and leadership. Insurance coverage of \$350,000, and frequently much less, does little to offset the loss of an executive – for even a short time .

Personal Cars: In some cases, corporate purchasers allow their travelers to use their own vehicles to drive themselves to and from the airport or meeting destination.

These same companies generally have no mechanisms in place to ensure that the traveler's vehicle is adequately insured or that the driver is in possession of a valid driver's license. If there is an accident, the employer of the driver of a car that is being used on business is liable for any injuries or loss of life or property caused in accidents for which the employee was at fault.

In other words, injuries, fatalities or the loss of property may result in astronomical costs to the company.

Other issues concern the condition of the traveler himself. Prescription medication, sleep deprivation and even illness can impact

driving skills. With many flights leaving early, how alert are the drivers? Do they have jet lag? What did they do the night before that may influence their driving skills? What effect did the cocktails consumed during a layover or even on board an aircraft have on personal judgment? Studies have shown that after a night of consuming alcohol, individuals may actually be driving intoxicated the next morning and not know it or show it.

Previous Options

Until recently most companies did not audit taxi receipts. Cash taxi receipts, are the most highly abused, over-reported category in the travel budget.

Some travelers take blank receipts and inflate the amount paid for a ride; in some cases, travelers create taxi receipts for rides that never happened.

Driving a personal car can also be expensive. Most companies use the DOV privately owned vehicles rate (which is currently .0555 per mile driven), and parking, which is almost never questioned, can range from \$6 to \$50. a day depending on location and how much inconvenience the driver is willing to tolerate.

The GO Group Solution

A shared-ride is an economical solution, which provides greater passenger safety, minimizes company liability and, as an added benefit, is better for the environment than taxis or the use of a personal car on business.

Myth

Many travelers mistakenly believe that a shared-ride shuttle is an inconvenience and that it takes too long due an excessive number of stops to pick up or drop off riders. The truth is in a downtown location there are generally three or fewer stops all within a very small radius. In the suburbs, the average ridership averages less than two travelers per van all located in the same geographical area.

Benefit 1 - Savings

Calculations based on a typical business trip at corporate rates in a major metropolitan area, indicate a shared-ride shuttle solution can result in savings of as much as 40% when compared to taking a taxi or driving a personal car.

Benefit 2 - Safety

Shared rides are safer than taxis or personal cars.

Shared ride companies require background checks, driver license history reviews and drug screening prior to the employment of any driver. Periodic drug testing

and license monitoring are ongoing throughout the driver's employment with the company. In addition, all drivers are required to participate in classes that teach safe and defensive driving techniques.

Benefit 3 - Corporate Liability

A shared-ride supplier carries \$1,500,000 to \$10,000,000 in liability coverage. As indicated earlier, taxis generally carry \$350,000 of liability insurance (less in the suburbs). Personal cars will vary from a high average of \$300,000 to no insurance at all.

Benefit 4 – Sustainability

According to Limousine Environmental Action Partners (LEAP), a sustainability consulting company, about 75 percent of the largest corporations have a sustainability plan, and the trend is accelerating.

LEAP further states that group transportation is increasingly important to travel managers and meeting professionals. Having access to motor coaches minibuses, shuttles, vans and SUVs is now critical. "It's a simple equation: 10 people in one vehicle is much better for fuel efficiency and emissions reduction than 10 people in 10 vehicles."

Shared-ride solutions, by their very design, reduce a company's carbon footprint by taking cars off the road.

This benefit is magnified by the fact that many GO operators have converted (or are in the process of converting) to alternative fuels — primarily liquid propane and compressed natural gas.

In addition to travel programs, corporations can further reduce their environmental impact at headquarter locations by replacing private vehicles with point-to-point shared-ride charters between office buildings, train stations and meeting sites.

Benefit 5 - Corporate Discounts

Shared Ride Solutions are by nature, the least expensive alternative travel option available. In addition, shared-ride companies often provide corporate discounts. In our savings analysis,* we employed a cost/benefit matrix, incorporating a conservative 10% discount. Discounts will vary depending on annual volume and travel patterns.

Summary

It is quite clear that travel managers and procurement professionals can deliver greater control on spending, more accurate and reliable expense reporting, a substantial cost savings, an improvement in traveler safety, a reduction in corporate liability, and support corporate sustainability objectives. A shared ride solution is a win-win for both employee and employer.

**** The savings described in Benefit 1 in this white paper are based on a typical 48-hour business trip in a major business market. We examined two organizations, the suburbs and downtown. The parking rate used is an average rate of \$25. All rates, whether taxi, shuttle or parking will vary by city, airport, supplier and distance from the airport. Downtown pickup and drop off locations show the largest savings.***