



News Release

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CC PROVISIONALLY CLEARS ZIPCAR/STREETCAR MERGER

The Competition Commission (CC) has provisionally cleared Zipcar Inc's completed acquisition of rival car club Streetcar Limited.

The CC has provisionally concluded that other companies are likely to enter and expand into this rapidly growing market, and that such competition will counter the danger of the merged company being able to raise prices or worsen its services to customers. A summary of the provisional findings report is available at www.competition-commission.org.uk. The full report will be published shortly.

The acquisition, which was completed in April 2010, brings together Streetcar, the largest car club in London, and Zipcar, the second largest. Car club members pay an annual membership fee and are able to hire cars by the hour picking up the vehicle from convenient nearby locations, using the flexibility offered by smart card technology and online and mobile booking tools.

Chairman of the Zipcar/Streetcar Inquiry Group, Dr Peter Davis, said:

This is a carefully weighed decision but the evidence we have seen of credible expansion by existing players and plans by new entrants into this market means that we have provisionally concluded that the right answer in this case is to clear the merger. Industry estimates have car club membership numbers increasing eightfold over the next decade so this is a fast-growing and therefore potentially attractive market for new and expanding providers, particularly in London. The competition we expect from new and expanding companies will prevent the merged company from exploiting its position and damaging customer interests in the medium term.

The CC found that although other forms of transport such as traditional car rental companies, taxis or public transport provide some competition to car clubs, this was limited to particular lengths of hire period. The CC did not find that the evidence supported other concerns that the merger might reduce competition when local authorities tender to allocate on-street parking for car clubs or that the merged company would necessarily be able to

disadvantage rivals by obtaining a larger share of on-street parking than the total of the shares that would have been allocated to the two companies individually.

The Office of Fair Trading referred the case to the CC in August for the CC to decide whether the acquisition may be expected to result in a substantial lessening of competition within any market or markets in the UK, including the supply of car club services in London.

The CC is expected to report by 24 January 2011 and would like to hear comments on the provisional findings from any interested parties, in writing, by 9 December 2010. To submit evidence, please email Zipcar.Streetcar@cc.gsi.gov.uk or write to:

Inquiry Manager
Zipcar/Streetcar inquiry
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.
2. The Enterprise Act 2002 empowers the Office of Fair Trading to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
3. The members of the Inquiry Group are: Dr Peter Davis (Group Chairman), Roger Finbow, John Longworth and Anthony Stern.
4. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
5. Further information on this inquiry, including the terms of reference and other key documents, as well as on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from the CC website at: www.competition-commission.org.uk.
6. Enquiries should be directed to [Rory Taylor](#) or [Siobhan Allen](#) or by telephoning 020 7271 0242.