

Startup rents privately owned cars at Oakland airport

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Hoping to challenge the rental car industry from the outside, a San Francisco company is offering Oakland airport travelers free parking and a little bit of money in exchange for rental fees on their cars while they are away.

FlightCar recently opened a desk in a well-worn Econo Lodge Inn and Suites near the airport.

It's one of a growing number of companies in the sharing economy where private citizens connect with others to sell or rent their own goods or services or both, like spare bedrooms or taxi rides.

"The rental [car](#) industry is one people sort of despise," said 20-year-old FlightCar President Kevin Petrovic, who skipped out on college to start the company and now has about \$20 million in venture capital funding from investors such as actor Ashton Kutcher and Reddit founder Alexis Ohanian. "We're competing with the rental car space more than anything. This is about taking something that really sucks and figuring out how to make it better."

In addition to free parking near the airport, car owners get a free carwash, a ride to the airport and a few cents for each mile the customer drives their car, between 5 and 20 cents a mile up to 75 miles and about 40 cents a mile after that, Petrovic said.

Renters pay FlightCar about \$25 to \$30 a day, Petrovic said. He didn't

want to talk about how sales are doing for his company, which employs about 100, but did say it's not yet profitable.

"We have about \$20 million in funding right now, so we don't have a pressing need to make money," Petrovic said. "But I can say we do have about 30,000 members."

FlightCar, which started at the San Francisco airport almost two years ago, now has nine offices near airports including Los Angeles and Seattle on the West Coast.

The company ran into trouble with the San Francisco city attorney who sued it in 2013 for not getting a license and paying 10 percent of the revenue and \$20 per rental that the other rental car companies pay. San Francisco collects about \$94 million a year from airport rental car agencies. FlightCar has not yet settled the suit, Petrovic said.

A spokesman at the Oakland [airport](#) said officials have met with FlightCar and are reviewing their business plan, but have made no determination on possible licensing or fees.

When private citizens rent out their cars or homes and there is an intermediary taking a cut, questions abound about who is responsible when something goes wrong. Petrovic said those questions are legitimate, like who is responsible when a renter uses a car to rob a liquor store or what happens when a renter gets in a fatal accident with someone else's car.

The company has a \$1 million liability policy for each car plus full collision insurance which does not draw on the car owner's insurance, Petrovic said. It also has theft coverage for the full value of the car, according to its website.

"Besides the obvious factors of screening our renters and not letting anyone who would want to do something like that actually get into a car, it would be hard to hold you responsible for something someone else does with your car given the proof of your membership with FlightCar," Petrovic said. "We'd get you out of it."

Petrovic added that he is patient with the questions he gets because people need to "understand what the potential risks are so you can feel comfortable doing it."

He said renters are screened for major moving violations in the past two years.

FlightCar only accepts cars that are 2001 model year or newer and have fewer than 150,000 miles on them, Petrovic said.

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