

# DOERING LEASING CO.

*May 2010*-- So much is happening in the industry. The auto business is making major leaps forward and we're here to keep you in the front row, not in the bleachers. Inside you'll find great information on the auto industry, personal and fleet vehicle news, and nuggets of valuable information! Get comfortable -- there is a a lot to learn.



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**Fleet Volume Up 18%, Leasing on the Rise, Clean Cities Program**

**Doering Fleet Management** - Green Fleet Specialists - New/Used Vehicles & Equipment - Nationwide Delivery - Sale-and-Leaseback Experts - Fuel Card Management - Managed Maintenance Program - Accident Management, For-Profit, Non-Profit, and Municipal/Government Experts



**Dear Adam,**

**Doering Leasing Co. welcomes our clients and *future* clients alike! We appreciate your time, attention and business greatly. We are focused on your success, longevity, and the complete satisfaction of your fleet needs.**

**DID YOU KNOW? - Now is a great time to shed unutilized and underutilized vehicles. The used market is incredibly strong and values remain high. Used vehicles that sit idle tie up capital unnecessarily and break from**

Issue: 24

**DOERING LEASING CO.**

FLEET SERVICES

ACCOUNT NO.

PREFIX NO.

VEHICLE CARD NO.

GOOD THRU



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## RELIGIOUS/NON-PROFIT LEASING REPORT

Aging vehicles and prolonged cycle (hold) times have driven up the cost to maintain a fleet lately.

Non-profits in particular enjoy predictable costs and lower maintenance expenses. The intent is to retain as much cash in the organization to

**lack of use and "lot rot," not to mention tie up valuable capital.**

**MUCH more information is available on [doeringleasing.com](http://doeringleasing.com) in the newsletter archive! We enjoy sharing our expertise, knowledge and industry information with you such that you can make more informed decisions. We love to hear your comments and ideas.**

fulfill the core mission of the organization.

As such, Doering has been told by dozens of non-profit clients that the 2011 model year orders will be substantial, trying to get caught up from a period of "drought" in vehicle cycling. **Most 2011 model year order banks are open for late summer delivery.**

Also prevalent are the decreasing administrative staff in non-profits and requisite decrease in fleet size. Doering Wholesale has been helping dispose of unutilized and underutilized vehicles nationwide.

**REMEMBER** - The used car market is still RED HOT. Now is a great time to dispose of old vehicles.

Doering offers both fleet leasing and fleet management services to organizations which BUY OR LEASE vehicles.

For organizations that buy, Doering helps institute best practices, negotiate rebates, buy vehicles at fleet prices **(often \$1500-\$2000 cheaper)**, provide advisory services and vehicle selection analysis, maintenance plans, and fuel card programs.

Experts help in every aspect of running your organization - experts on your finance committee, your outside accountant, attorney, and insurance agent all make educated and informed recommendations. They are working on your behalf to add value and deliver results.

Doering, too, is working on your behalf. Having done so



## RECENT SUCCESS STORIES

(1) **Hybrid Buses:** Doering Leasing Co. is an approved vendor for the WI Clean Cities program, a federally funded alternative energy program intended to fund the incremental cost of alternative fuels for private firms to support their use and begin to establish a comfort level. Al Stroebel and Adam Berger represent Doering Leasing Co. in this program. Doering Leasing Co. has several hybrid buses on order! More to come in future newsletters, including some great photos.

(2) **Religious Non-Profit:** Doering has a strong foot-hold with religious non-profit organizations. We recently delivered 35 new vehicles to a new fleet client who formerly purchased all vehicles and tied up approximately \$2.5M. Leasing through Doering saved \$1800-\$2200 per vehicle over what they had paid PLUS shipped vehicles directly to drivers around the country. 100% satisfaction. Doering aims for no less.

for over 20 years in the non-profit sector, Doering delivers the best service - consistently and enthusiastically.

**GET EDUCATED ON FLEET MANAGEMENT AND LEASING OPTIONS!** You will be pleasantly surprised by the benefits offered. **Sale-and-leaseback's are increasingly common as they generate capital immediately, capital that can be invested and utilized for current and future needs.**

J. Paul Getty teaches: *"Buy assets that appreciate; lease assets that depreciate."*

**The ability to pay cash for vehicles is something to be proud of; it is just not the best use of capital long-term.** Layer on the benefits and expertise a fleet management firm provides and you have a very compelling case for leasing. **Budget, invest, track, manage....**

**You hire the best attorney, best insurance agent & best CPA for your needs -- Do the same with your fleet management firm!**

**- DOERING -**

## Green Fleet News and Information to Green You

Doering Leasing Co. is leading the charge in green fleet management. As an [EPA SmartWay](#) partner, our staff helps clients manage fleet choices to maximize fuel efficiency, usable life and minimize the carbon footprint -- all the while doing so with a sound economic footing. It is critical to remember that being green is terrific for the environment and planet long-term, but short-term it is critical to exploring what, if any, green premium there is in your fleet and if it is a justifiable additional cost.



### SUMMER DIESEL AND GAS PRICES

The Energy Information Administration (EIA) forecasted higher gasoline and diesel prices in its monthly short-term energy and summer fuels outlook. The EIA forecasts that gas will be almost 50 cents higher during this summer's driving season (the period between April 1 and September 30), climbing from \$2.44 per gallon to \$2.92 per gallon.

Gas prices are forecasted to average \$2.84 in 2010 and \$2.96 in 2011, up from \$2.35 per gallon in 2009, primarily because of projected rising crude oil prices. Diesel fuel prices averaged \$2.46 per gallon last summer, but are projected to average \$2.97 per

gallon this summer. Diesel prices are forecast at \$2.95 and \$3.12 per gallon in 2010 and 2011, respectively.

Diesel's national average topped \$3 for the first time since November 2008, jumping 7.6 cents to \$3.015 a gallon. Oil averaged \$81 per barrel in March, almost \$5 higher than the previous month and \$3 over the previous month's short-term outlook. The Department of Energy said it expects crude to average above \$81 per barrel this summer, slightly less than \$81 for the year, and then rise to \$85 per barrel by the fourth quarter 2011.

Bloomberg reports light sweet crude futures @ \$70.08 currently.

### **BMW ZERO EMISSIONS "MEGACITY" IN 2013**



The BMW Group will bring its first series-production electric-drive model to market with its launch of the Megacity Vehicle in 2013.

The Megacity Vehicle will be a zero-emission urban car for the world's metropolitan regions. It is currently being developed and will be available from 2013 under a sub-brand of BMW.

"With this innovative vehicle, designed from the ground up, we will be creating new benchmarks for electric mobility from 2013 on. Our Megacity Vehicle will be significantly lighter than conventional cars and, in terms of sustainability, will set a new standard across the entire value-added chain," Norbert Reithofer, chairman of the board of management of BMW AG, said.

Weight plays a pivotal role in the range achievable by electrically driven vehicles, so the Megacity Vehicle will include the ultra-light, high-strength composite carbon fibre-reinforced plastic in its materials mix.

"This vehicle will radically alter the motor industry as we know it. The BMW Group is currently the only company that will be launching a volume-production vehicle on the market that features carbon fibre-reinforced material," Reithofer explained.

The BMW Group has been gleaning insights into the day-to-day use of electric vehicles since mid-2009, when it launched a global field test involving more than 600 MINI E models. During the test phase some 50 MINI E cars are also being delivered to customers in China in 2010.

### **TOYOTA HYDROGEN FUEL CELL CAR UPDATE**

Toyota Motor Corp., the biggest seller of hybrid cars, said it has cut

### **GM AUCTIONS**

Doering has been operating as an approved GMAC Direct Buyer for over 18 months.

This means Doering has access to buy used vehicles direct from GM dealers and the factory. Secondly, Doering can sell vehicles directly to such dealers nationwide. This opens-up access to hard-to-find vehicles, low mileage vehicles, and lease-returns.

Adam Berger, Doering Leasing Co.

### **Sprinter - Same Vehicle, Lower Price, Different Brand**

If you follow new vehicle pricing at all, you've probably noticed that there's a distinct upward trend in MSRPs as the years go by. For 2010, Mercedes-Benz has decided to buck that trend for its Sprinter commercial van, lowering the average entry price by roughly 6% from 2009, starting at \$35,250.

The 2010 Mercedes Sprinter van lineup will include three trim levels. The standard Sprinter cab chassis is the base model and will begin at \$35,250. Next up the Sprinter hierarchy is the Sprinter cargo van at \$36,925. The top-flight Sprinter passenger van will carry a base price of \$40,800.

the cost of making fuel-cell vehicles by about 90 percent since the mid-2000's and may be able to price its first retail hydrogen model at about \$50,000.

The first model will be a sedan with driving range equal to a gasoline-powered car, "with some extra cost," Yoshihiko Masuda, Toyota's managing director for advanced autos, said in an interview. The Japanese carmaker has cut production costs to about one-tenth of earlier estimates that ran as high as \$1 million a car and would need to reduce current expenses by about half before starting retail sales, he said.

"Our target is, we don't lose money with introduction of the vehicle," Masuda said in Torrance, California, where Toyota's U.S. sales unit is based. "Production cost should be covered within the price of the vehicle."

#### Less Platinum

Toyota cut expenses to make the vehicles by reducing platinum use to about one-third the previous level and finding cheaper ways to produce the thin film used in the fuel cells and the carbon-fiber hydrogen fuel tanks, Masuda said yesterday at a conference in Long Beach, California. Toyota and GM now use about 30 grams (1.06 ounces) of platinum per fuel-cell vehicle and aim to reduce it to about 10 grams. GM's executive director of global powertrain engineering, Platinum futures for July delivery rose \$25.90, or 1.6 percent, to \$1,675.60 an ounce on the New York Mercantile Exchange.

Shifting from low-volume assembly to mass-scale production would lead to further cost reductions, he said.



The Mercedes Sprinter carries on in the New Year with 3.0L BlueTEC diesel engine. The engine marks the first time that a clean Diesel Exhaust Fluid (DEF), a urea solution to reduce harmful pollutants from the oil-burner's exhaust stream, has been used in commercial van market, says Mercedes.

Mercedes' parent company, Daimler, **ended its Sprinter re-badging partnership with Chrysler's Dodge brand late last year, making all Sprinter vans Mercedes vehicles for 2010-onwards. Chrysler is currently investigating bringing a Fiat commercial van to the U.S. in the place of the discontinued Dodge Sprinter**, under Chrysler badging. That van would likely be the Fiat Ducato, while a smaller Fiat Doblo may also go head-to-head with Ford's Transit Connect.

#### WISCONSIN BANS TEXTING

Wisconsin became the 20th state to outlaw texting while driving.

Gov. Jim Doyle signed the legislation that passed the Senate in October and cleared the Assembly on a bipartisan

## Fuel Economy Tips of the Month

FLEET FUEL ECONOMY TIPS  
so simple you might slap yourself:

- Coast to lights; don't accelerate toward them and hit brakes
- Accelerate on downhills and coast up hills (or reduce power)
- Cruise control uses more fuel (see #2)
- Reduce unnecessary weight in vehicle
- Change air filter(s), oil - engine and transmission, anything you can do to reduce friction
- Tire pressures set properly reduce rolling resistance

MORE TIPS NEXT MONTH

HAVE YOUR DRIVERS "[GREEN DRIVER CERTIFIED](#)." It takes about 30 minutes and could save you hundreds of dollars in fuel each year. Johns Manville and hundreds of large organizations have already done this and are reaping the benefits.

Going green is a two-pronged approach:

1) Selecting best-in-class vehicles that have great "green" characteristics -- fuel economy, reliability, size.

The second prong is the *practical* prong that ensures your "green" decisions are also economically justifiable for the organization.

2) Selecting vehicles with the best lifecycle cost (lowest cost to operate, maintain, insure, and have the lowest depreciation) while ensuring your drivers are in vehicles that meet their practical job-related needs. So many organizations get compact hybrid vehicles but they need mid-sized or full-sized vehicles.

Go to [GreenDriver.com](http://GreenDriver.com) / sign-up for a demo / get your drivers certified now.



Doering Leasing Co. is an EPA SmartWay certified leasing company. Congratulations to Quad/Graphics, Inc. and all other winners on achieving the [Excellence Awards](#).

## Fleet Sales Up \$1.35B -- 18% Year over Year

-- Fleet Leasing Makes a Major Gain

An \$800 per unit increase in fleet-commercial prices and an 18 percent jump in volume helped the auto industry reach nearly \$7.35 billion in fleet-commercial sales in February, up from \$6 billion in the year-ago period, according to CNW Market Research.

89-6 vote Tuesday.

The vast majority of those who will be ticketed are teenagers who can't afford \$800 tickets, said Rep. Mike Huebsch, R-West Salem.

"Let's make sure the penalty is not onerous," Huebsch said.

"This is as serious as drunk driving," Barca said. "People are killed by people texting messages."

Nearly 6,000 people were killed and a half-million were injured in vehicle crashes in 2008 connected to driver distraction, including texting, according to the U.S. Department of Transportation.

More and more states have moved toward banning texting while driving, which is seen as a major distraction and safety hazard.

The first laws banning text messaging while driving passed in 2007 and now 19 states ban it for all drivers.

In addition to periodic Ezines, Doering sends newsletters and other useful information. We guarantee it to be useful.

[Join Our Mailing List!](#)

**DOERING LEASING CO.**

*Trouble budgeting for fleet costs?*

**WE CAN HELP.**

*Leasing is fundamentally safer*

Part of the increase in per-unit prices is due to fleet and commercial buyers' interest in more expensive hybrid models, wrote CNW's Art Spinella in the firm's monthly newsletter.

"This is occurring in all channels of the fleet-commercial business. It's estimated that 11 percent of all new fleet and commercial vehicles are hybrids or biodiesel models," Spinella wrote.

### ***Fleet Sales by Segment***

However, Spinella cautions against jumping to conclusions that the fleet and commercial industry are on the rebound despite their year-over-year gains in February vehicle sales.

Small business fleet and commercial sales accounted for 3.16 percent of total vehicle sales in February, an increase of 80.3 percent from the year-ago period. Government fleet sales accounted for 4.89 percent of total volume, an increase of 7.4 percent from the year-ago period. Large business fleet sales accounted for 19.18 percent of total volume, an increase of 16.1 percent from the year-ago period.

Spinella said the only exception was medium business fleet and commercial sales, which accounted for 9.48 percent of total volume, an increase of 16.1 percent from the year-ago period.

### ***Fleet Sales by Nameplate***

General Motors and Ford **reduced** their fleet-commercial sales in February, while Chrysler, Toyota, Nissan and Honda all experienced increases compared to the year-ago period.

GM's share of total industry volume was 14.62 percent in February, down from 17.53 percent in the year-ago period. Ford's share was 12.38 percent, down from 13.52 percent.

Chrysler's share of total industry volume increased from 14.06 percent in February 2009 to 14.82 percent in February 2010.

Toyota had the largest increase in market share - from 13.92 percent in February 2009 to 16.27 percent in February 2010. The jump reflects a high fleet and commercial demand for the Prius and other Toyota hybrids, which eased in February due to buyers' concerns about the manufacturer's sudden-acceleration issues, Spinella wrote.

Honda also saw a notable jump in market share, but it was due to higher demand among small and micro businesses. The manufacturer's market share was 6.92 percent in February 2010, up from 4.51 percent in February 2009.

***and more flexible than ownership and provides working capital and availability of credit, whether or not it is currently needed. Leasing provides predictable costs.***

The collapse of the Big 3's leasing companies is not a sign of any market change away from leasing, but rather their inability to access capital in an incredibly capital-intensive industry with low margins. In the case of the Big-3, systemic losses due to unrealistic residual values put the nail in the coffin and sealed their fate. The Big 3's captive leasing companies were losing on average \$3500 or more on each lease-turn-in.

Doering Leasing Co. and other reputable long standing leasing firms continue to operate with availability to capital for credit-qualified clients in the same method as has been used in the fleet industry for over 70 years. Residual values are set accurately to reflect market conditions. The most promising aspect is lower acquisition costs across the board.

### **Doering Remarketing Grows in Depth & Breadth**

Doering Leasing Co. has operated a remarketing department for 20 years. Doering added the following

Nissan's market share was 7.51 percent in February 2010, up from 6.29 percent in the year-ago period.

Fleet leasing is up over 20% YTD!

*Business Fleet*

## GM Stock For Sale Again - Doering Registered Agent!

**We wish! Doering is NOT the registered agent, nor is GM stock for sale. If it were, we would be buyers. See why!**

### **GM Repays Federal Loans Early, Volt Goes on Sale in October**

General Motors Company Chairman and CEO Ed Whitacre announced Wednesday that the company fully paid off over \$8 billion in loans to the United States and Canadian governments ahead of schedule.

The loans were paid in full with interest five years ahead of schedule and two months ahead of the timeline Whitacre announced in January. In exchange for the federal loans, the U.S. and Canadian governments took equity stakes in the new GM.

"GM's ability to pay back the loans ahead of schedule is a sign that our plan is working, and that we are on the right track. It is also an important first step toward allowing our stockholders to reduce their equity investments in GM," said Whitacre. "We still have much hard work ahead of us, but we are making progress toward our vision of designing, building, and selling the world's best vehicles."

Whitacre made the announcement at GM's Fairfax, Kansas assembly plant where the company will invest \$257 million to build the next generation Chevy Malibu.

In addition, Whitacre announced that the Chevy Volt will go on sale in October, nearly two months earlier than originally scheduled and ahead of its competition, the all-electric Nissan Leaf.

**BEWARE:** GM announced their desire on May 17th to re-enter the sub-prime lending business. Will they ever learn?

Some content courtesy of *Business Fleet*

## Toyota Falls From #1 Spot, KBB Reports

services to satisfy the demands of our customers in addition to the traditional fleet remarketing duties. You may find them useful in your fleet. Doering is dynamic and trying to help fleets focus on core competencies to every extent possible:

- Owned Vehicle Remarketing (cars, trucks, equipment)
- Nationwide Owned Vehicle Disposition
- Internet Remarketing
- Used Vehicle Acquisitions for Fleets

and much more!

Ask your Doering Fleet Manager for more information.

Doering Leasing Co. is adapting to a changing market to meet the demands of our partners and offer value in every way possible.

### **Fuel Card Programs Save 10-15% on Fuel Spend**



A properly utilized fuel card program can detect and/or prevent driver fraud, track fuel (grade) usage, monitor MPG, and provide an accurate assessment of spend per driver. Some firms use the PIN to bill fuel to job codes. The program can be customized for your use and consolidates all fuel spend onto one monthly bill. Drivers have their choice of the cheapest fueling locations, not bound to drive out of their way to go to a BP or Mobil because you have a dedicated

### All-New KBB Market Intelligence Data Reports Each Automotive Brand's Strength Over Time and Relative to Competition

Kelley Blue Book [www.kbb.com](http://www.kbb.com) today announces the latest results from the company's all-new 'Automotive Brand Indicator' (ABI), showing Toyota dropping from the top spot among all brands to No. 2, boosting Ford to No. 1 for Q1 2010.

Q4 2009	Q1 2010
1 Toyota	1 Ford
2 Ford	2 Toyota
3 Chevrolet	3 Chevrolet
4 Honda	4 Honda
5 Nissan	5 Nissan

The ABI is derived from four primary components that are important in determining brand performance based on consumer attitudes and behaviors. The Kelley Blue Book ABI combines brand consideration data and perception ratings on factors of importance from Kelley Blue Book Market Intelligence's Brand Watch™ study with new-car shopper activity and leads data garnered from the 15 million monthly visits to [kbb.com](http://kbb.com), and puts this information through a rigorous analytics modeling process to determine each brand's strength.

### 4.8% Increase in Cost to Operate Vehicles

The average cost to own and operate a sedan has risen 4.8 percent to 56.6 cents per mile, or \$8,487 per year, based on 15,000 miles of annual driving, according to AAA's 2010 edition of its annual 'Your Driving Cost' study.

Small Sedan, 43.3 cents/mile, \$6496 annually  
Medium Sedan, 56.2 cents/mile, \$8436 annually  
Large Sedan, \$70.2 cents/mile, \$10530 annually  
4WD SUV, \$73.9 cents/mile, \$11,085 annually  
Minivan, \$62.0 cents/mile, \$9301 annually

"Rising fuel prices are a key factor in this year's 'Your Driving Costs' study. Paying more at the pump is not only increasing the operational costs of vehicles, but it's also affecting depreciation values," said John Nielsen, director, AAA auto repair and buying. "With the growing appeal of more fuel efficient vehicles, small sedans are experiencing less depreciation and holding their value longer while we're seeing notable rises in depreciation costs with categories of less fuel-efficient vehicles."

fuel card. Further, such fuel cards keep credit cards out of the hands of those that don't need them, further preventing fraud (the \$50 gas fill-up with \$20 in food for a driver, including cigarettes). Doering Fleet Management offers a comprehensive fuel card program underwritten by Wright Express, the largest fuel card in the nation and most widely accepted.

Contact your Doering representative for more information!



## Rising Fuel, Tire and Insurance Costs

Increases in the costs of fuel, tires and insurance were the primary factors causing a rise in all categories of vehicles. At the time of the 'Your Driving Cost' calculations, the AAA Fuel Gauge Report listed the national average cost of regular unleaded gas as \$2.603 per gallon, 12.7 percent higher than the cost of fuel in last year's study.

The average costs of full coverage insurance on sedans also rose 5.7 percent over last year, while tire costs increased an average of 8.7 percent.

## Small Sedan Category Sees Smallest Increase in Costs

The small sedan category experienced the smallest increase of the five categories of vehicles, rising only 2.9 percent from last year to 43.3 cents per mile or \$6,496 per year, based on 15,000 miles of yearly driving.

The minimal increase was primarily due to the increased popularity of small sedans led by higher fuel prices. It resulted in the small sedan category being the only one where depreciation costs were lower than last year, falling 1.9 percent.

## Rises in Depreciation Drive Up Ownership Costs for Large Sedans, SUVs and Minivans

As more consumers seek fuel efficient vehicles, categories of vehicles not known for good fuel economy were hit with sizable increases in depreciation. The SUV category experienced the largest increase with yearly depreciation rising 10.7 percent, or \$484, to \$5,003 yearly, based on driving 15,000 miles annually. Large sedans had a depreciation jump 6.1 percent to \$4,828 yearly, while minivan depreciation increased 4.6 percent to \$3,995 yearly.

AAA's 'Your Driving Cost' study analyzes the cost to own and operate a vehicle in the U.S. Ownership costs factored into the study include the cost of insurance, license and registration fees, taxes, depreciation and finance charges. Operational costs in the study include fuel, maintenance and tires.

*Business Fleet*

## News That's Fit to Print

### **STATES WITH HIGHEST COST OF VEHICLE OPERATIONS -**

A study by Edmunds.com shows that owning a vehicle in Alaska, California or Hawaii over a five-year period is about \$10,000 more expensive than owning the same vehicle in New Hampshire, South

Dakota or South Carolina for the same duration. FOLLOW LINK for state-by-state data! [SEE DATA HERE](#)

**TOP 10 GREEN CARS** - Kelley Blue Book released its list of the Top 10 Green Cars of 2010, which included several vehicles from last year's collection as well as some promising newcomers, such as the Volkswagen Golf TDI and the Chevrolet Tahoe Hybrid.

To be considered for the Top 10 Green Cars of 2010 list, each vehicle was required to offer fuel economy and CO2 emissions superior to the bulk of vehicles in its class, and at the same time provide all the safety, creature comforts and driving enjoyment that would make it pleasant to own. [The list does not factor in cost as a factor - just preferences. Doering reminds customers to always complete a proper lifecycle cost analysis.]

"From conventional gasoline-powered fuel sippers to hybrids to diesels, we think car shoppers will be impressed with the variety in vehicle types and sizes, as well as the vast array of various technologies, available on the market for the green-minded consumer today, as showcased in our Top 10 Green Cars of 2010 list," he said.

#### **KBB's Top 10 Green Cars for 2010 list**



1. Toyota Prius - 50 mpg (51 city, 48 highway)
2. Honda Insight - 41 mpg (40 city, 43 highway)
3. Ford Fusion Hybrid - 39 mpg (41 city, 36 highway)
4. Volkswagen Golf TDI - 34 mpg (30 city, 42 highway)
5. MINI Cooper - 32 mpg (28 city, 37 highway)
6. Ford Escape Hybrid - 32 mpg (34 city, 31 highway)
7. Honda Fit - 31 mpg (28 city, 35 highway)

8. BMW 335d - 27 mpg (23 city, 36 highway)

9. Toyota Highlander Hybrid - 26 mpg (27 city, 25 highway)

10. Chevrolet Tahoe Hybrid - 22 mpg (21 city, 22 highway)

**BUICK MOMENTUM** - Buick will stop using trim-level designations for its 2012 models and plans to introduce a compact car and small crossover in the near future, top Buick executives said Wednesday.

Those measures, as well as expanding marketing efforts, were unveiled at the Buick Immersion Program at the Tech Center, where General Motors Co. mapped out the keys to the brand's continued success to employees who work with the premium brand.

Additionally, in the coming months, Buick will introduce its all-new midsize Regal and try to continue to build momentum created by its last two new vehicles, the midsize crossover Buick Enclave and large sedan, the Buick LaCrosse. "We are starting to gain some traction in sales," said John Schwegman Buick's U.S. marketing vice president, Buick-GMC, "but we're not declaring victory yet."

Sales numbers have been positive. Buick sales were up 36.4 percent in April, compared to the same month last year, and overall sales are up 50 percent for the year, according to Autodata Corp.

**UPS HYBRID TRUCK FLEET EXPANDS** - UPS announced Tuesday that its fleet of alternative-fuel vehicles had expanded with the deployment of 200 hybrid-electric delivery trucks in eight U.S. cities.

The 200 new hybrid electric vehicles (HEV) join roughly 20,000 low-emission and alternative-fuel vehicles already in use and have been deployed in Austin, Houston, Philadelphia, Chicago, Washington, D.C., Long Island, Minneapolis and Louisville. Before this latest deployment, UPS operated 50 hybrid electrics in Atlanta, Dallas, Houston and Phoenix.

"We're proud of this large HEV deployment to major cities in the United States," said Bob Stoffel, UPS senior vice president of supply chain, strategy, engineering and sustainability. "This technology, where properly used, can yield a 35 percent fuel savings, the equivalent of 100 conventional UPS delivery vehicles."

The 200 new HEV delivery trucks are expected to reduce fuel consumption by roughly 176,000 gallons over the course of a year compared to an equivalent number of traditional diesel trucks. The hybrids also should reduce by 1,786 metric tons the amount of CO<sub>2</sub>

gases released annually into the atmosphere.

The new hybrid power system utilizes a conventional diesel engine combined with a battery pack, saving fuel and reducing pollution-causing emissions. The diesel engine is used to recharge the battery pack and to add power when necessary.

The HEVs also use regenerative braking. The energy generated from applying the brakes is captured and returned to the battery as electricity. The combination of clean diesel power and electric power, supplemented by regenerative braking, allows dramatic improvements in fuel savings and emissions reductions.



**FORD'S NEW 2011 SUPER DUTY** - Ford launches the new 2011 Super Duty and its all-new 6.7-liter Power Stroke V-8 diesel engine with **biodiesel compatibility**. The new diesel engine, available in the 2011 Ford F-Series Super Duty, is B20 compatible, which allows customers an additional fueling option that uses blends of up to 20 percent biodiesel and 80 percent petroleum diesel.

Biodiesel is a type of diesel fuel that is derived from renewable energy sources and feedstocks, such as vegetable oils and animal fats. The new 6.7-liter Power Stroke V-8 turbocharged diesel engine is rated at a significantly improved **735 ft.-lb. of torque at 1,600 rpm and 390 horsepower at 2,800 rpm.**

"The customer will not see any degradation in performance with biofuels up to B20," Waszczenko said. "Also, testing was conducted to simulate how some customers will use biofuels. This included switching from normal diesel fuel to B20 fuel, just like a customer might do."

This increased flexibility is an important component of the new engine.

"Diesel engines account for 65 percent of Super Duty sales," said Doug Scott, Truck Group marketing manager. "Increased biodiesel compatibility is something many of our customers have been

looking for."

"The 2011 Ford F-Series Super Duty is all about meeting and exceeding customer demands across a wide range with the 'and solution,'" said Scott. "Ford delivers best-in-class maximum capability and best-in-class fuel economy, with an average 18 percent improvement among diesel pickups and 25 percent improvement in diesel chassis cabs compared with 2010 models, and B20 compatibility."



#### **New diesel engine's extreme durability testing**

Ford engineers put more than 10.3 million equivalent test miles on the new diesel engine, including extreme road and weather conditions. The new Power Stroke diesel is the most tested Power Stroke ever, incorporating the most rigorous engine tests found in Ford globally.

Customer data, including driving styles, road types and vehicle usage (towing and payload), also played a key role in developing the testing program that best replicated Super Duty use.

This strict testing work helped ensure the new engine is B20 compatible. Because biodiesel fuel varies in quality in the U.S. and Canada, durability testing cycles were run on multiple blends of the fuel to ensure the robustness of the system. Engine components that are not compatible with B20 will suffer premature wear or corrosion and will have a high potential for leaks if the sealing components are not compatible with biofuels.

**FORD CREDIT** - Higher auction values and lower provisions for credit losses powered Ford Motor Credit Co.'s earnings last quarter, despite a decline in loans and leases outstanding.

The Ford Motor Co. captive earned \$528 million last quarter. By comparison, it lost \$13 million in 1Q09.

Ford Credit managed \$90 billion of loans and leases as of March 31, down from \$95 billion at yearend 2009. The decline stemmed,

in part, from the transition of Jaguar, Land Rover, Mazda, and Volvo financing to other providers.

Parent company Ford Motor Co. earned \$2.1 billion, or \$0.50 per share, last quarter. c/o our good friends at Auto Finance News

**DOMESTICS MAKE STRONG HEADWAY IN QUALITY** - Twenty-five of 36 vehicle brands have improved in long-term dependability in 2010, compared with their performance in 2009, continuing a steady trend of industry-wide improvement. However, for some of these brands, consumer perceptions have not kept pace with their actual performance, according to the J.D. Power and Associates 2010 US Vehicle Dependability Study (VDS).

The study finds that several brands that perform well in long-term dependability in 2010 are avoided at relatively high rates due to consumer concerns about dependability. Among brands included in VDS, Cadillac, Ford, Hyundai, Lincoln and Mercury have the greatest lags between dependability, performance, and consumer perception.

"Producing vehicles with world-class quality is just part of the battle for automakers; convincing consumers to believe in their quality is equally as important," said David Sargent, vice president of global vehicle research at J.D. Power and Associates. "It takes considerable time to positively change consumer perceptions of quality and dependability - sometimes a decade or more - so it is vital for manufacturers to continually improve quality and also to convince consumers of these gains."

According to Sargent, approaches that can help reinforce perceptions of high quality in consumers' minds include: providing extended warranties, which demonstrates a brand's faith in its products; incorporating features, materials and finishes in vehicles that have a rich feel; and ensuring that new models launch with better quality than their predecessors. In addition, automakers need to increase communication efforts about their high quality and dependability through social media channels such as blogs, Facebook and Twitter, as well as through traditional channels.

Toyota continues to perform well in long-term dependability and garners four segment awards - more than any other nameplate in 2010 - for the Highlander, Prius, Sequoia and Tundra. Honda receives three segment awards for the CR-V, Fit and Ridgeline. Lincoln captures two awards for the Mark LT and MKZ. In addition, Audi, BMW, Buick, Cadillac, Chevrolet, Ford, Lexus, Mazda, Mercedes-Benz and Mercury each receive a model segment award.

Porsche leads the overall nameplate rankings in 2010, which is consistent with its performance in the J.D. Power and Associates 2007 Initial Quality Study, which measures new-vehicle quality at

90 days of ownership. Lincoln improves by six rank positions from 2009 to follow Porsche in the nameplate rankings. Rounding out the top five nameplates are Buick, Lexus and Mercury.

In addition, **seven of the 10 models with the lowest incidence of problems in the industry are from Ford and General Motors, including the 2007 model-year Buick Lacrosse, Buick Lucerne, Cadillac DTS, Ford Five Hundred, Lincoln MKZ, Mercury Milan, and Mercury Montego. The Cadillac DTS has the fewest problems in the industry, with just 76 problems per 100 vehicles. This marks the first time in more than a decade that a model from a domestic automaker has achieved the lowest PP100 score in the Vehicle Dependability Study.**

**Overall vehicle dependability has improved by 7 percent in 2010 to an average of 155 PP100, compared with 167 PP100 in 2009- a rate that is consistent with historical industry gains. In addition to the improvement in overall dependability, the rate of component replacement has also been reduced from 2009. Approximately 65 percent of owners indicate they replaced a vehicle component in 2010, compared with 68 percent in 2009.**

## RE-RUN: Problems With Driver Reimbursement & Allowance Programs



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Doering Leasing Co. recently published a white paper on the topic of the liability, tax, cash flow, and administrative implications of driver reimbursement and allowance programs. Please click on the link below to the **WHITE PAPER** from the [doeringleasing.com](http://doeringleasing.com) website.

[REIMBURSEMENT AND ALLOWANCE WHITE PAPER](#)

This May 2010 EZine provided courtesy of Adam Berger

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