

From: Adam Berger <adam@doeringleasing.com>
Subject: eZine - September 2012 - Doering Fleet Management & Doering Leasing Co.
Reply: adam@doeringleasing.com

DOERING LEASING CO.

eZINE

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FUEL MANAGEMENT

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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 spending 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.

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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!

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To minimize maintenance costs by utilizing national pricing, consistently maintain your fleet across locations and drivers, institute preventative maintenance schedules and improve vehicle resale value.

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Issue: # 35 September 2012

Dear Adam,

Focused on the success of your fleet, small or large, Doering aims to impart a breadth of knowledge, ideas and paths to execution.

MUCH more information is available on our website in the newsletter archive! We enjoy sharing our expertise, knowledge and industry information with you.

Education better us and ensures our decisions are well-informed!

LET'S GO



Ford Unveils New Ford Transit and Transit Connect



Work Truck

The wait is over. Ford Motor Company has unveiled the all-new Transit, which is set to replace the company's E-Series vans in late 2013. The new design was unveiled at the company's "Go Further" event on Thursday, Sept. 6.

The all-new Ford Transit, along with the all-new Ford Transit Connect, was developed under the company's "One Ford" global product strategy in Europe. The vehicles will be sold in Europe, North America and other worldwide markets with product ranges tailored to the needs of customers in each region.

For North American customers, the Transit offers fleets several advantages over the E-Series van. The Transit will have lower operating costs than comparable E-Series vans while featuring new roof heights and wheelbases that promise to help make customers more productive and efficient.

The North American version of the Transit will include the choice of several engines, including the 3.5L EcoBoost or a diesel option. Each option features rear-wheel drive and, according to the automaker, at least 25-percent better fuel economy than the comparable E-Series. North American Transit vans will be manufactured in Kansas City alongside the Ford F-150.

The all-new Ford Transit Connect will feature a choice of short and long wheelbase versions and a low-CO2 powertrain. The Transit Connect will offer a variety of gasoline powertrains tailored to the market.

Black Book Finds Fuel-Efficient Vehicle Values Falling More Than Those of Large SUVs

Automotive Fleet News, By Greg Basich

Although gas prices have been increasing lately, the resale values of vehicles in the fuel-efficient car segments have lost more value than those in the large truck segments, according to a new report from Black Book. Automotive Fleet wanted to know more about what was causing the shift and spoke with Ricky Beggs, Managing Editor for Black Book, to find out.

<p>Click here to have one of our experts contact you.</p>
<p>U-M Study Finds Trend of Young People Not Getting Driver's Licenses Continues</p> <p>Automotive Fleet News</p> <p>A new study from the University of Michigan (U-M) Transportation Research Institute found that 6 in 10 Americans ages 17-19 had a driver's license in 2010.</p> <p>Thirty years ago, 8 in 10 Americans in that age group had a license. In 1983, roughly 87% of 19-year-olds, 80% of 18-year-olds, and 69% of 17-year-olds had a driver's license, according to the U-M study by Michael Sivak and Brandon Schoettle. In 2010, roughly 70% of 19-year-olds, 61% of 18-year-olds, and 46% of 17-year-olds had a driver's license. The study also shows a drop in the number of driver's licenses for people in most age groups except for small increases in the age groups 25-29 and over age 70.</p> <p>A smaller group of young people with driving experience means fewer younger employees with basic driving skills, potentially increasing the need for driver training.</p>
<p>DOERING LEASING CO.</p> <p>Trouble budgeting for fleet costs?</p> <p>WE CAN HELP.</p> <p>Leasing is fundamentally safer and more flexible than ownership and provides working capital and availability of credit, whether or not it is currently needed. Leasing provides predictable costs.</p> <p>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 and has been used in the fleet industry for over 70 years. Residual values are set accurately to reflect market conditions.</p>
<p>FMCSA's Fit, Willing, and Able Policy Raises the Safety Bar</p> <p>Work Truck</p> <p>The Federal Motor Carrier Safety Administration (FMCSA)'s Fit, Willing and Able policy guidance raises the safety bar for commercial trucks and buses by providing the specific criteria the agency considers when it grants, withholds, revokes or suspends a company's operating authority registration.</p> <p>The guidance reinforces the agency's policy of not granting operating authority to companies that create new identities or affiliate relationships to avoid a negative safety history. It also clarifies that the agency will scrutinize companies that have had their operating authority suspended or revoked within the past six years to determine their willingness to comply with federal safety laws.</p>
<p>Is your fleet aging?</p> <p>Fleet Blogs, By Steve Fowler</p> <p>You may have seen the data that came out the first of the year from R. L. Polk Co that the average age of passenger</p>

To start, the Compact Car, Compact CUV, and Entry-Level Car segments, as recorded by Black Book, saw falling resale values of 3.1%, 2.6%, and 2.5% respectively since mid-July. The Luxury SUV, Full-Size Pickup, and Full-Size SUV segments on the other hand, have only fallen by 1.9%, 1.7%, and 1.3% respectively during that same period.

Beggs said he believes the functionality of utility vehicles, and the necessity of pickup trucks to many businesses' operations, is keeping those segments higher. He also said the number of pickup trucks in the market is lower and more reflective of actual demand than in years past.

As for the effect of gas prices on different vehicle segment resale values, Beggs said there needs to be a larger, sustained shift in prices for this to occur. When asked about whether resale values either lag behind or match gas price changes, Beggs explained that if the increase in prices is large, and sustained enough, then they track fairly closely. If not, then gas prices don't affect resale values much. He said in the short term, prices need to stay above \$4, and over the long run, he cites \$5 as a price that could cause a larger shift. **He also attributes the wide swings in fuel prices this year to resale values not being affected as much by recent gas price increases.**

Beggs did note there are some regional differences in terms of interest in vehicle types, for example states on the West Coast that are experiencing high gas prices due to recent supply concerns.

Overall, Beggs said he believes the market will continue in the same direction that it's been moving, a slow, steady decline through the end of the year, barring anything unforeseen happening in the automotive marketplace or with fuel prices.

Ford Estimates 95 MPGe for 2013 C-MAX Energi



Green Fleet

Ford Motor Co. reported estimated fuel economy and range figures for the plug-in hybrid of its new C-MAX, the C-MAX Energi. The automaker said it expects its C-MAX Energi plug-in hybrid will get 95 MPGe [MPGe is a US EPA calculation that allows for the fuel economy comparison of traditional internal combustion engines versus fuel economy of an electric vehicle, alternative energy vehicles and other advanced technology] combined city/highway fuel economy, 550 miles of overall range, and 20 miles of electric-only range.

Ford said the C-MAX Energi starts at a base MSRP of \$33,745, but that after a federal tax credit of \$3,750, the vehicle's base price will be \$29,995. The automaker said the cost of its new hybrid system is 30-percent less than its previous system. In addition, Ford stated it developed the hybrid battery system, hybrid transmission system, and software for the vehicle in-house.

The C-MAX Energi comes equipped with a 2.0L four-cylinder engine. Overall, Ford projects 188 hp for the total system's horsepower. The vehicle uses lithium-ion batteries as part of the hybrid system rather than the nickel-metal hydride batteries in the automaker's first generation of hybrids.

The vehicle also offers Ford's SmartGauge with EcoGuide, which shows current fuel economy on one of two 4.2-inch LCD screens. Green leaves show the vehicle's overall driving efficiency on the right cluster. The left cluster shows the Brake Coach display, a feature that helps a driver optimize use of the regenerative braking system.

Ford is also offering the MyFord Mobile smartphone application, designed to work with the C-MAX Energi, that allows users to monitor vehicle charging, receive alerts, find charging stations, and make trip-related plans.

The automaker is building the C-MAX Energi at its Michigan Assembly Plant, on the same line as its C-MAX Hybrid, Focus, Focus Electric, and Focus ST.

The Real-Deal on Diesel-Electric Hybrids

Work Truck, By Lauren Fletcher

A recent report by Indiana University's (IU) School of Public and Environmental Affairs raised some eyebrows about the economic viability of medium-sized diesel-electric hybrid trucks.

I went to one of the makers of diesel-electric hybrid trucks, Hino, to get its point of view on the study. I am strong supporter of alternative-fuel

cars and light trucks in this country is at an all time high of around 11.1 years old. On the truck side the average age is now 10.4 years old, this is up more than 2 years since 1995! One thing that strikes me is that this is the average so some are obviously older. I have tried to find out their definition of average - whether this is a median or mean number and I am just assuming it is the mean.

Either way it is clear that both people in general and commercial fleets are keeping their vehicles on the road a lot longer. I have to believe that some of this is simply because they are making vehicles better than in the past - contrary to my brothers adage that "they don't make them the way they use to" - with newer vehicles having 100,000 miles on the odometer simply means it is time for a tune up not an engine transplant. Unfortunately I think a lot of it is also economy based and this seems to be proven out by the numbers. At the end of 2011 and into this year it is reported that many commercial fleets have been taking advantage of the high resale on their used vehicles and the somewhat recovering economy to purchase new vehicles slowing the ageing process.

Like many folks, I have always balanced the cost of upkeep with the cost of replacing a vehicle. I am not saying this is always a planned event with careful analysis as most of the time this thought hits my brain when a major maintenance event is due or needed because something broke down. With new drive-train technology I am finding this to happen a lot less and vehicles simply seem to be a lot more dependable even when they are a decade old. Interestingly an article in Automotive Fleet states that maintenance costs didn't rise last year even though the cost of some basic services, like an oil change did increase.

I continue to hear from people that really believe the old myth that the manufactures could make a car last forever but they choose not to in order to protect their future sales. While we see a long way from the perpetual vehicle we are definitely seeing better quality and longer life from our vehicles.

Texting and Driving

Since we recently touched on the dangers of texting and driving, I thought it would be topical to discuss some of the recent laws being pushed by states regarding this dilemma. Over the past few years, states have imposed increasingly severe repercussions for drivers found to be texting while driving. As of 2012, 39 states, the District of Columbia, Guam, and the Virgin Islands have banned texting while driving, and legislation is pending in Missouri.

Over the past seven months, five states have implemented or have announced that they are planning to implement new laws to suppress handheld phone use: Nevada, Idaho, West Virginia, Alabama, and Ohio.

Enter some useful fleet smartphone tools! While the software we have previously discussed caters more toward functionality, these apps are tailored to limit functionality while driving. Each one is different - for instance, Sprint's Drive First blocks text message alerts and phone calls while still allowing access to three contacts and applications. An app named Textecution blocks the texting feature at speeds exceeding 10 MPH, while DriveSafe.ly will read messages aloud and respond without having to use the phone itself. Given the number of options, fleet managers can choose the app (or apps) that most closely adhere to their written policies.

vehicles, and believe that, while up-front cost is a key component in vehicle selection, it shouldn't be the only determining factor. Overall vehicle lifecycle costs, corporate sustainability, and innovation should also be considered and measured.

According to the IU study's authors, John Graham and Kerry Krutilla, "With volatile fuel prices and uncertain technology and environmental trends, the fuel savings and environmental benefits from driving these hybrids may not be sufficient to recover their higher investment costs."

Glenn Ellis, VP, marketing & dealer operations for Hino Trucks, disputed Graham and Krutilla. "We believe that we have addressed several of the study's concerns about the viability of diesel-electric hybrids with the launch of Hino's 6th-generation diesel-electric hybrid system," he said. Ellis further provided the following details, arguing in favor of diesel-electric hybrid trucks:

- According to Ellis, Hino is the pioneer in hybrid technology and introduced the technology in an urban bus in 1991. "This was six-years prior to the Toyota Prius introduction, which is based on Hino hybrid experience," Ellis said. "We are now introducing our 6th generation hybrid technology that shares about 60 percent of the same componentry as Toyota's hybrid system. We have more than 12,000 commercial hybrid trucks and buses in operation worldwide."
- Initial Acquisition Cost. The study states that hybrid systems are currently estimated at \$33,085 which is roughly a **65- to 70-percent premium over a comparable diesel model**. "Our Class 5 diesel-electric hybrid will be roughly a 25-percent premium at \$12,000," Ellis countered. "This premium can be recouped in less than 5 years without the use of Government subsidies."
- Replacement Battery Cost. Hino typically sees that a medium-duty truck owner keeps his or her truck for five to seven years. "Based on our 20-plus years of hybrid experience, we believe the life of our 6th generation battery to be seven years," Ellis said. "Our replacement cost is roughly half of what is stated in the report, and because of the ownership cycle of our customers, the first owner should not see a battery replacement cycle."
- Lifecycle Cost. According to Ellis, a Hino hybrid owner could achieve an \$8,000 operational savings over a traditional diesel (including the \$12,000 premium) over a period of seven years.
- The Right Application. While hybrid technology may not be the "cure-all" solution to reduce fuel consumption and operating costs in all applications, Hino believes its introduction of a Class 5 cab-over diesel-electric hybrid fits a need in the urban environment. "With the urban population of the U.S. expected to surpass 275 million people by 2020, there is a growing need for smaller, more maneuverable trucks in the metropolitan cities," Ellis said. "We believe this is the perfect application for hybrids."
- Environmental Impact. Hino does agree with the study: hybrid technology provides tremendous environmental benefit. "A typical hybrid truck can reduce CO2 output by as much as 25 percent," according to Ellis. "Again, this is why we feel our cab-over diesel-electric hybrid is the perfect fit for many of the large cities who are serious about improving their air quality."

The IU report has been published as an article, "Are Green Vehicles Worth the Extra Cost? The Case of Diesel-Electric Hybrid Technology for Urban Delivery Vehicles," in a just-released symposium edition on science policy in the Journal of Policy Analysis and Management.

Ready to Talk about Fleet Management Yet?



\$2140 per car. We're talking about a lot more than pennies! That is the average savings Doering provides per vehicle. It's worth your time and attention.

You deserve to do the research, understand best practices in fleet management, and see the substantial savings and value proposition fleet management provides from the industry experts!

Still thinking? Did we mention - Doering Fleet Management has saved the average organization an estimated \$2140 per vehicle in 2011 in addition to all other services and value provided! Doering's used car remarketing prices were on average 30% over Manheim Market Report values. Using dealer trade-in values would make for an even more dramatic comparison.

[CLICK HERE TO SPEAK WITH AN EXPERIENCED DOERING FLEET MANAGEMENT REPRESENTATIVE IMMEDIATELY!](#)

Buy Energy Credits to Offset Fleet Emissions

Use the following to calculate fleet greenhouse gas emissions.

<http://business.edf.org/projects/fleet-vehicles/fleet-calculator>

When using Terra Pass to buy verified greenhouse gas offsets that provide a practical way to offset fleet emissions when other options are limited, you are buying contracts that invest money in projects that remove carbon dioxide from the atmosphere. It's far less expensive than trying to turn your entire fleet into plug-in vehicles in short order. It affords you the time and financial prudence to implement a transition plan to an eco-friendly fleet model.

<http://www.terrapass.com/>

Obama Administration Finalizes 54.5 MPG 2025 Fuel Economy Standards

Automotive Fleet

The Obama administration announced it has finalized Corporate Average Fuel Economy (CAFE) standards up through model-year 2025. The new rule sets the standard to 54.5 miles per gallon for the 2025 model-year. The administration stated that these standards when combined with the previous standards set for model-years 2011-2016 will nearly double the fuel efficiency of vehicles for M-2025 when compared with those currently on the road. The 2016 standard is 25.5 mpg according to the National Highway Traffic Safety Administration (NHTSA).

President Obama originally announced the proposed standards in July 2011. A total of 17 automakers have announced their support for the standards according to the administration. A number of automakers were involved in the negotiations including Ford, GM, Chrysler, Mercedes-Benz, Honda, Acura, Land Rover, Mazda, Mitsubishi, Nissan, Toyota and Volvo. Other stakeholders in the process included the National Motor Vehicle Theft and Auto Theft Research Center and the State of California. Federal agencies involved in the process include NHTSA and the Environmental Protection Agency.

The 2017 - 2025 CAFE standards haven't met with universal approval, and have faced opposition from the U.S. House of Representatives, specifically the House Oversight Committee. That Committee has issued a number of reports critical of the Administration's process for developing the new standards. A recent report from the Committee stated the new standards will raise the cost of purchasing vehicles and reduce vehicle safety.

Although NHTSA and EPA agree that there will be an increase in the acquisition cost of new vehicles, they disagree that the new standards mean vehicle safety will be compromised. The CAFE standards issued by the administration provide for a mid-term evaluation to allow federal agencies to review the standards' effectiveness and make adjustments.

The administration claims the standards will provide a number of economic benefits including average fuel savings of more than \$1,000 by 2025 over the lifetime of a given vehicle. In addition, for those purchasing a model-year 2025 vehicle, the administration claims net savings will be comparable to reducing the price of gasoline by roughly 1¢ per gallon. Lastly, the administration claims the new standards will save a total of 12 billion barrels of oil and reduce U.S. oil consumption by more than 2 million barrels per day by 2025.

Keeping Your Fleet Safe from Theft - Are You Doing Enough to Keep Your Fleet Secure?

Fleet Blogs, By Elisa Durand

Vehicle theft is a living nightmare for fleet managers: the company loses valuable assets, the driver is out of commission while deprived of a vehicle or equipment, and if it is possible to recover the vehicle and its contents, the process is often lengthy and arduous. The wisest course of action is to take the proper precautions to ensure the theft doesn't occur at all.

Recent automotive Fleet [article](#) highlighted various areas where a fleet's security may need to be strengthened or steps that should be put in place in cases where a security plan may not exist at all. From isolated crimes of opportunity (i.e. smash-and-grab incidents) to the theft of an entire fleet, fleet managers need to be aware and prepared when it comes to protecting property, and knowledge of the problem is a reliable first line of defense. With the proper knowledge, the most economical course of action can be implemented accordingly.

Common sense is the cheapest and generally sufficient effective option. When leaving vehicles unattended always take the keys out of the vehicle, don't hide them in the vehicle, close the windows, lock the doors, and roll the windows up. Always park in a well-lit secure or attended area when leaving the vehicle alone for long periods. A dark out-of-the-way parking spot makes the thief's job easier.

Of course, common sense only goes so far. Smash-and-grab is among the most common form of car theft, so it's best to start from the ground up and dissuade thieves by using window tinting and vehicle caging. It's also a good idea to remove valuables when possible, use heavy-duty locks and toolboxes to keep equipment safe, and brand/document all pieces of equipment to aid recovery efforts. In a few of my recent posts, I highlighted the pros and cons of telematics systems and the can certainly be used in this capacity. Telematics systems can be extremely effective when tracking a stolen vehicle, assuming the criminal isn't knowledgeable enough to disable it him/herself. Keep it clandestine.

Tracking is also important, don't put the physical address of a location with multiple units on the vehicle, since it's an invitation to raid multiple vehicles. Also, whether they are being stored in a company parking lot or a home driveway, make sure the vehicle is locked and secure. For a parking lot, this may mean using physical barriers, lights, and private security.

Automotive Fleet also recently ran an [article](#) that highlighted the 10 hotspots for car theft in 2011. The crime rate decreased in the lower six cities on the list but the top four cities, Fresno, CA, Modesto, CA, Hershey-DeLano, CA, and Spokane, WA, experienced an increase in rates. While it is impossible to predict the actions of thieves, the data speaks for itself with regard to where concentrations of thieves are located. If your fleet has vehicles in any of these areas or another area which faces similar problems, be sure to put forth the extra effort to ensure that you don't lose an important property to criminals.

U.S. DOT and UMTRI Launch Connected Vehicle Safety Pilot Program

Automotive Fleet News

The University of Michigan Transportation Research Institute (UMTRI) has officially launched its Connected Vehicle Safety Pilot Program which will test vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) safety technology applications in an urban environment in Michigan.

UMTRI received a \$1.9 million contract from the U.S. Department of Transportation (DOT) for the program, which will involve testing a total of 250 vehicles during a 10-month period. The program is designed to test whether wireless V2V and V2I communications technologies can help prevent collisions.

Vehicles in the test will include passenger cars, trucks, commercial trucks and transit buses. UMTRI and its program partners will outfit the vehicles with integrated retrofit and aftermarket V2V and V2I communications devices. The actual vehicle testing period will last for 12 months out of the 10 for the program.

The technologies involved will send and receive electronic data and translate that data into warnings to drivers involved in the project. The systems in the vehicles will warn drivers of dangerous traffic scenarios such as a potential collision at a blind intersection, colliding into a vehicle that has stopped ahead, or a vehicle changing lanes while in another vehicle's blind spot.

UMTRI and DOT will use the data generated from the Safety Pilot Program to inform future decisions about safety technologies and are designed to be used by the broader transportation industry to develop new safety, mobility and environmental applications utilizing wireless technologies.

Automakers involved in the project include Ford Motor Company, General Motors LLC, Honda and Mercedes-Benz. Acura, GM, Honda, Nissan, Toyota and Volvo are also involved.

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2013 Models are Out

Most ever 201 model ear vehicle has been released and all are available for factor ordering.

t is wide known in the fleet management industr that well-timed ac quisitions and dispositions can reduce vehicle e penses b over 20 hats not 20 off our organi ations photocop paper bill but 20 off the cost of our fleet vehicles b implementing sound fleet strategies and e cuting on them consistentl .

n addition ongoing and preventative maintenance service costs ma be reduced b appro imatel the same figure.

AVERAGE NATIONAL ACCOUNT SAVINGS

Service Description	Average Dealer/Ind Cost	Average National Account Cost	National Account Savings	National Account Savings (%)
Lube / il & Filter	2.0	29.95	- 12.1	29
ransmission Service	1 .61	99.95	- .66	6
hrust lignment	9. 9	69.99	- 19.90	22
-wheel lignment	101.96	69.99	- 1.9	1
Cooling S st. Service	1 0.59	9.99	- 0.60	1
ire otation	2 .56	1 .00	- 10.56	
Front Disc ra es	25 .15	159.99	- 9 .16	
ear Disc ra es	2 2.	169.99	- 102. 9	
ear Drum ra es	25 .61	1 9.99	- 10 .62	1
ra e nspection	9. 2	1 .99	- 2 .	62
iper lades	51.6	29.9	- 21.69	2
Total	\$1,448.92	\$898.81	-\$550.11	38%

For a list of shops that are the lowest cost providers under the Doering Maintenance Management Plan, click [here](#).

If this newsletter was useful to you and imparted knowledge and ideas as it was intended to do, it was a success. If it did not, please provide the much-needed feedback.

This eZine provided by Doering Leasing Co. and Doering Fleet Management.

Please call me directly with any questions at 414-431-4320. We are advocates of educating -- you and ourselves. We are advocates of logical reasoning and diligent work. We're practitioners offering expertise and service as part of long-term partnerships. We have satisfied clients. If you're not one already, contact us to see if fleet management and/or leasing makes sense for you.

Sincerely,

Adam Berger
Vice President of Sales
Doering Leasing Co.
Doering Fleet Management
d 414.431.4320
e adam@doeringleasing.com

Man articles or content thereof are from various industr sources. he information is intended to be advisor in nature but should not be relied upon without proper guidance consultation and advice both from a fleet manager and an accountant as needed.

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