

Adam M. Berger

**From:** DOERING LEASING CO. [adam@doeringleasing.com]  
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## DOERING LEASING CO.

NEWSLETTER

DECEMBER 2007

The Doering Leasing Co. Newsletter is a compilation of news and information relevant to corporate, religious, and non-profit fleet customers. We share this information with current and future customers alike. Feel free to forward this to your colleagues.

Quote of the Month: "Most don't fall short of their potential because they can't fix their problems; they fall short of their potential because they refuse to examine them."

We encourage you to plan for the future now before you are under the gun to make major changes that improve organizational cash flow, tax benefits (if appropriate), and administration.



### RECORD YEAR AT DOERING LEASING CO.

Thank You! Doering Leasing Co. had a record year in 2007 as part of an ongoing strategy to grow our client base while continuing to provide exemplary service to our clients consistently! Our philosophy of good old fashioned personal service and follow-through work are the backbone of our success and our growth. *We thank you sincerely for your business and for allowing us to be a trusted advisor!* We take pride in providing trusted advisory services and value to our business partners; this newsletter is just one small way we can share relevant fleet/professional vehicle knowledge with you efficiently. The entire staff of Doering Leasing Co. wishes you a Happy Holiday Season and a Prosperous and Happy New Year!

**Major topics of discussion lately include: cash flow, sale/leasebacks, internal rate of return, outsourcing to experts, tightening margins, import cars, fuel economy, hybrids/flex-fuel vehicles, nationwide vehicle management, procurement and disposal, executive vehicles, and incentive vehicles.**

### FUEL ECONOMY BILL PASSES IN SENATE, ON TO HOUSE THIS WEEK FOR ANTICIPATED APPROVAL

The U.S. Senate on Dec. 13 passed a pared-down energy bill that includes a landmark increase in fuel-economy standards for vehicles and a major boost for alternative fuels.

The Senate passed the bill 86 to 8, after Democratic leaders agreed to a White House demand that oil industry tax breaks be left intact. The compromise reached between Democratic and Republican leaders also included dropping an earlier provision mandating that utilities generate more electricity from cleaner sources, the Los Angeles Times reported. The bill now goes to the House, which is expected to approve it this week. The White House has said President Bush will sign the legislation, in light of the compromise reached.

The bill mandates a 40 percent increase in fuel efficiency for new cars and light trucks by 2020, for a fleet-wide average of 35 miles per gallon, and a fivefold increase in the amount of alternative home-grown fuels, such as ethanol, that must be added to the nation's gasoline supply by 2022.

Of the 36 billion gallons of renewable fuels mandated for vehicles by 2022, 21 billion would be produced from biomass diesel and cellulosic sources still under development.

*Automotive Fleet 12/17*

### DAIMER & CHRYSLER DIVORCED - MOSTLY

2008 N.A. Car of the Year nominees

Audi TT  
 Audi A5/S5  
 Cadillac CTS  
 Chevrolet Malibu  
 Chrysler Town & Country  
 Dodge Grand Caravan  
 Honda Accord  
 Infiniti G37  
 Infiniti EX35  
 Mercedes-Benz C-Class  
 Nissan Altima Coupe  
 Scion xB





Smart ForTwo  
Subaru Impreza/WRX  
Volvo C30

2008 North American Truck of the Year nominees

Buick Enclave  
Chevrolet Tahoe Hybrid  
Hyundai Veracruz  
Jeep Liberty  
Jeep Patriot  
Kia Rondo  
Land Rover LR2  
Mazda CX-9  
Nissan Rogue  
Saturn Vue  
Toyota Highlander/Hybrid  
Toyota Tundra  
Volvo XC70

#### **FUEL EFFICIENCY GAUGES IN NON-HYBRID VEHICLES SEEN AS USEFUL IN FLEET OPERATIONS**

Fuel-efficiency gauges, first made popular in gas-electric hybrid vehicles, are starting to appear in non-hybrids. Such a gauge shows drivers what their mileage is at any given moment and informs them when they are driving most efficiently. The gauge helps educate drivers on how driving habits can impact fuel efficiency.

Nissan started installing a fuel-efficiency meter into the instrument cluster of certain Nissan and Infiniti cars, pickups and SUVs, and plans to phase them into the entire lineup, USA Today reported. Ford Mustangs, Edges and Fusions have a fuel-efficiency meter in the optional information center part of the instrument cluster. Fuel efficiency is indicated using a bar chart like the kind that measure signal strength on cell phones.

Chrysler and GM has begun including displays that show when cylinders are deactivated in the gas-saving systems of some V-8 and V-6 engines. Chrysler vehicles display the message "fuel saver mode" on the instrument panel.

Some Honda models have a dashboard light that illuminates when gas mileage is at its peak. Meanwhile, Toyota is studying whether its non-hybrid customers would make use of the gauges, USA Today reported. *Automotive Fleet* 12/10

#### **MOBILE NAVIGATION SYSTEMS - TO DO OR NOT TO DO**

This is the \$300-\$3000 decision facing many fleets as pressure from drivers mounts. Safety is touted as the major reason as well as efficiency and fuel savings. Downsides include the significant cost of factory-installed units and the equipment factory navigation systems are typically coupled with, increasing vehicle acquisition cost on average \$1500. It is undeniable that built-in and aftermarket units are safer than looking at a printed sheet of paper from Mapquest or looking at a mobile phone enabled with navigation.



Options include: Factory installed units for \$1500-\$2500 commonly bundled with Bluetooth systems for wireless phone connectivity, aftermarket units by Garmin (top ranked) and Magellan that mount on the dashboard or windshield and are portable plug-in units easily moved from one vehicle to the next, and aftermarket built-in units with costs from \$1000-\$2500 including installation.

Hip new products like the iPhone from Apple and other all-inclusive devices may be a simple and logical answer for fleet users with the occasional need for navigation and/or internet access. Blackberries and Palm Treo's are becoming a common source for navigation data. Though the systems do not speak to you, they can determine current location and prescribe directions to a specified destination quickly. Many new phones come with navigation software, but market innovators are trying to bring navigation to those with other phones.

MapQuest ([www.mapquest.com](http://www.mapquest.com)), in partnership with Telmap, recently announced that the newest version of its voice-guided, GPS-enabled wireless application, MapQuest Navigator 5.0, is now available to consumers through [navigator.mapquest.com](http://navigator.mapquest.com).

Customers who sign up for new version 5.0 between now and December 31, 2007 can download the application directly to their handset and purchase the service for the promotional price of \$4.99 per month for the life of the subscription.

In addition, MapQuest Navigator 5.0 includes feature enhancements such as live traffic, gas price and station locator, and City's Best ratings from AOL CityGuide. According to a recent J.D. Power and Associates survey, 40 percent of phone users want their phone to have GPS.

#### **2008 IRS REIMBURSEMENT RATES ARE OUT**

The IRS recently updated the reimbursement rates for 2008 from 48.5 cents per mile in 2007.

2008 Rate = 50.5 cents per mile for 2008

The IRS does not mandate what employers must reimburse employees for mileage. This rate is derived as a standard nationwide rate US taxpayers can deduct for vehicle expenses for business miles driven.





### **SMART CARS GO ON SALE IN JANUARY**

The arrival of the Smart car has been anticipated more because of its differences than its attributes. Cited as a great city car for ease of parking and its fuel economy, the Smart car is viewed warily for safety reasons. Invented for the amazingly dense cities of SE Asia originally, the Smart can park nose to curb due to its minute stature. The Smart ForTwo goes on sale in January in the US, but is already sold out through most of 2008. It will be the smallest car available in the US. It does meet US safety standards due to its steel safety cell around the passengers. Smart expects 40-50 dealerships in major cities in January with anticipated 2008 sales goals of 20,000 units. The big question is what will its fuel economy be -- 36mpg combined city/highway. A standard Toyota Corolla, by comparison, gets 31mpg combined fuel economy while a Toyota Yaris gets 33mpg. This is proof positive that perception is everything. Smart cars will be marketing tools for organizations like yours, not keys to reduce operating expenses.

### **CERBERUS OWNERSHIP OF CHRYSLER HAS EFFECTS IMMEDIATELY**

Chrysler LLC is rumored to be considering selling all passenger cars (not all vehicles sold) under the Chrysler nameplate. Dodge dealers would offer only trucks; Jeep dealers would offer Jeeps and SUV's. Chrysler has already eliminated many models from the 2009 lineup including the PT Cruiser convertible, Chrysler Pacifica, Dodge Magnum, and Chrysler Crossfire. The two latter models are based on a Mercedes-Benz chassis owned by Chrysler's former parent company, Daimler.

As part of a plan to become sustainable (and profitable), Chrysler has begun to cut jobs. 13,000 NA positions will be cut through 2008, in total a 30% decrease in work force since 2006. Chrysler said the cuts at its factories would affect 8,500 to 10,000 workers. It said it would eliminate third shifts at plants in Belvidere, Ill., Toledo, Ohio, and Brampton, Ontario. It also is eliminating the second shift of workers at the Jefferson North plant in Detroit and its plant in Sterling Heights, Mich.

As part of the announcement, Chrysler reiterated plans to add two new models to its lineup, the Dodge Journey, a crossover vehicle, and the Dodge Challenger sports car. It also said it would build hybrid-electric versions of the Chrysler Aspen and Dodge Durango, two sport utility models.

### **QUICK NEWS UPDATES**

[The Federal Motor Carrier Safety Administration \(FMCSA\)](#) keeps the 11-hour trucker driving limit based on data showing safety levels have been consistent since the 11-hour driving limit was implemented in 2003.

[Canada Broadens List of Vehicles Qualifying for Green Rebates](#) - Canadian fleet managers wishing to purchase new vehicles that qualify for the Canadian government's green rebate program now have more options. Thirty-two vehicles from the 2008 model year now qualify, compared to 21 the previous model year. Toyota Prius, Honda Civic & Hybrid, Honda Fit, Smart ForTwo, Ford Escape Hybrid, Saturn VUE Hybrid, Toyota Camry Hybrid, Toyota Highlander Hybrid, Toyota Corolla, Toyota Yaris, Mini Cooper, Lexus RX400H, Jeep Compass, Jeep Patriot, Chevy HHR, Nissan Rogue, Chevy Impala, and the Chrysler Sebring Sedan.

[Toyota Passes Chevrolet & Detroit 3 Slip Below 50% Share](#) - Toyota passed Chevrolet in November sales, as they were in May, June, and July. Chevrolet will still likely come out first for the year, but the top selling brand for 19 of the last 20 years, Ford, will almost certainly settle in at 3rd place. Sales of imports continued to rise though US light-vehicle market will finish the year down only about 1.8% from 16.5M sales in 2006. 2008 is widely expected to trail 2007 sales numbers.

[Fleet Sales Figures](#) - Ford 31%, Chrysler LLC 30%, GM 27%, Nissan 11%, Toyota 9%, Honda 3%. Domestic are continually decreasing the overall sales percentage sold to fleets while the imports are taking the opportunity to increase fleet sales. The jury is still out on the impact this will have, but kept to a sub-15% level it is widely expected to have little effect on such strong brands. Surprisingly Kia and Hyundai are picking up fleet sales left in the wake of the Big 3. The imports are increasing fleet sales numbers, but their overall sales figures are rising so proportional fleet sales are not expected to change dramatically in the next few years, helping maintain strong residual values.

[Light-Duty Trucks](#) - The Toyota Tundra, redesigned in 2007, is continually picking up momentum and market share, up approximately 40% from a year ago while Ford, GM and Dodge trucks are down an average of 12%. Toyota has been offering notable rebates to achieve the desired market penetration, but their goal of 200,000 sales might be a stretch at this point.

[NEW HYBRID MODELS](#) - 2008 Chevrolet Malibu (debuting on the coasts) goes on sale in January with a sticker price of \$22,790, about \$1,800 higher than a similarly equipped non-hybrid. Other new hybrids for 2008 include the Chevy Tahoe/GMC Yukon, Saturn VUE, Toyota Highlander, and Chrysler Aspen/Dodge Durango (potentially).

[SUV Residual Values Rising](#) - *Black Book* predicts 2008 model year large SUV's will be worth 4% more than their 2007 counterparts after three years. Mid-sized SUV's are expected to increase 3.6%. Minivans are expected to increase 7.8%. These predictions are only expectations of vehicle values in three years, not guarantees. There has been a notable up tick in SUV values from the trough created by the spike in fuel prices approximately a year ago.

### **PLANNING TRANSLATES TO DOLLARS IN FLEET MANAGEMENT**

Doering Leasing Co. strongly encourages our partners to plan fleet turnover bi-annually and place factory orders. There are numerous advantages. Doering Leasing Co. specializes in advising clients on the best vehicle decisions possible, helping ensure all fleet and special rebate/discounts are earned.

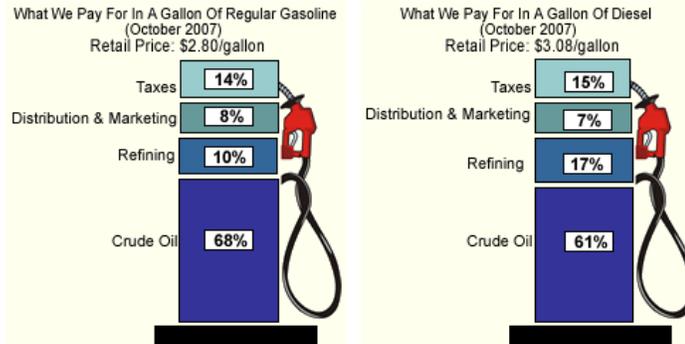
Canada



Every organization periodically needs vehicles quickly so we deal with exceptions as they arise, but we advise planning for the preponderance of your fleet turnover. In many cases, creative solutions can be anticipated and executed with advanced planning and an intelligent strategy in place. Vehicles can be relocated, terminated early, held in service longer, or offered for sale to staff, just to name a few potential planning ideas. Selecting a business partner can increase your efficiency, decrease administration costs of your fleet, and lower cash outlays substantially!



**GAS AND DIESEL FUEL PRICING - PROVIDED BY THE ENERGY INFORMATION ADMINISTRATION (DEPARTMENT OF ENERGY)**



**SIGN UP FOR THE DOERING LEASING CO. FLEET FUEL CARD PROGRAM AND SAVE MONEY, SIMPLIFY ADMINISTRATION, IMPLEMENT CHECKS AND BALANCES**

For a small monthly fee per card, you can have a precise grasp of the fuel expenses of your fleet vehicles, prevent fraud, have a consolidated report, and avoid reimbursement to drivers, company credit cards that may be used for non-fuel purchases, and lots more. Offered as a collaboration between Doering Leasing Co. and Wright Express, the largest fuel card program operator in the Country, the program works at over 95% of fuel stations of all brands. You do not need to dictate which brand of gas your drivers buy. They buy what is convenient and cheapest. Please contact Doering Leasing Co. for more information and an application. The system provides both paper and online access to your fleet. Replacement cards or additional cards are simple and easy to obtain. You'll be impressed!



**Sign a Colleague or Friend Up**

If you think someone else may benefit from receiving the Doering Leasing Co. newsletter, please respond to this message and provide their e-mail address. They will immediately be sent a copy of the newsletter and added to future issues. Thank you in advance.

## DOERING LEASING CO.

**Doering – Since 1924!**  
11801 W. Silver Spring Drive  
Suite 201  
Milwaukee, WI 53225  
800-238-7888  
Fax 414-461-7848

E-mail [Adam@Doeringleasing.com](mailto:Adam@Doeringleasing.com) for information or with comments.

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**LEASING NEW AND USED VEHICLES WITH THE HIGHEST LEVEL OF SERVICE**

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