

News

United States
Department
of Labor



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USDL 96-472
TRANSMISSION OF MATERIAL IN THIS
RELEASE IS EMBARGOED UNTIL
8:30 A.M. (E.S.T.), WEDNESDAY,
NOVEMBER 13, 1996

QUALITY CHANGES FOR 1997 MODEL VEHICLES

Passenger Cars

The value of quality changes for a sample of 15 1997 model domestic passenger cars included in the Producer Price Index for October averaged \$155.74, according to estimates by the Bureau of Labor Statistics of the U.S. Department of Labor. This change represents 45.9 percent of the average \$339.36 yearly increase in producers' prices.

The retail equivalent of these quality changes averaged \$185.53, representing 55.7 percent of the average \$333.34 yearly increase in manufacturers' suggested list prices.

The \$185.53 estimated retail level of quality change breaks down as follows:

- * \$20.76 for changes in accordance with all 1990 Clean Air Act Amendments.
- * \$9.11 for changes in accordance with Federal Motor Vehicle Safety Standard (FMVSS) 214, side impact protection.
- * \$155.66 for other quality changes such as powertrain improvements, corrosion protection upgrades, and changes in levels of standard or optional equipment.

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Light Trucks

The value of quality changes for a sample of 11 1997 model domestic light trucks included in the Producer Price Index for October averaged \$204.18. This change represents 40.2 percent of the average \$508.14 yearly increase in producers' prices.

The retail equivalent of quality changes for domestic light trucks averaged \$245.41, representing 42.8 percent of the average \$573.73 yearly increase in manufacturers' suggested list prices.

The \$245.41 estimated retail level of quality change breaks down as follows:

- * \$23.63 for changes in accordance with all 1990 Clean Air Act Amendments.

- * \$221.78 for changes in accordance with Federal Motor Vehicle Safety Standard (FMVSS) 208, passive restraints, and other quality changes such as powertrain improvements, corrosion protection upgrades, and changes in levels of standard or optional equipment.

Estimates of the value of quality change are based on a review by the BLS of data supplied by producers for similarly equipped 1996 and 1997 domestic models priced for the Producer Price Index. Most of the estimates of quality changes in this release are derived from information supplied for the Producer Price Index for October.