

News

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of Labor



Bureau of Labor Statistics

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Shannon Martin (202) 606-7746 x 269

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REPORT ON QUALITY CHANGES FOR 1998 MODEL VEHICLES

Passenger Cars

The value of quality changes for a sample of fifteen (15) 1998 model domestic passenger cars included in the Producer Price Index for October averaged \$196.16, according to estimates by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. This change represents 44.3 percent of the average \$442.59 yearly increase in producers' prices.

The retail equivalent of these quality changes averaged \$230.81, representing 63.5 percent of the average \$363.27 yearly increase in manufacturers' suggested list prices. The \$230.81 estimated retail level of quality change breaks down as follows:

*\$52.14 for changes in accordance with 1990 Clean Air Act Amendments.

*\$178.67 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 fourteen (14) 1998 model domestic light trucks included in the Producer Price Index for October averaged \$80.03. This change represents 29.0 percent of the average \$276.38 yearly increase in producers' prices.

The retail equivalent of quality changes for domestic light trucks averaged \$99.94 representing 30.0 percent of the average \$333.38 yearly increase in manufacturers' suggested list prices.

The \$99.94 estimated retail level of quality change breaks down as follows:

*\$25.62 for changes in accordance with 1990 Clean Air Act Amendments.

*\$53.25 for changes in accordance with Federal Motor Vehicle Safety Standard (FMVSS) 208, passive restraints

*\$21.07 for 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 1997 and 1998 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.