

INDUSTRYNEWS

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American Muscle Trumps Alt Fuels

NADAguides.com recently announced the Top Five Most Researched Cars following tax season. With tax season now behind us and returns starting to come in, anxious consumers have accelerated their new car research process.

The analysts at NADAguides.com recently researched traffic data and revealed that consumers are more interested in putting their hard earned tax returns towards American innovation and ingenuity. Ford and Chevy are the obvious standouts with multiple models in the top five. The data, which is based on research volume from each brand, shows the 2011 Ford Mustang, one of Detroit's favorite muscle machines, leading the way as the most researched vehicle on the NADAguides.com web site following tax season.



"Much of the recent discussion in the auto industry has focused on alternative fuel vehicles, but the research clearly paints a much different picture. For the first time in recent years, consumers are taking a strong look at American vehicles because of the engineering, ingenuity and quality advancements of the newer products," said Mike Caudill, spokesperson for NADAguides.com. "This most recent data identifies the top new cars consumers are researching now that various incentives and rebates are in full swing and tax returns are beginning to arrive. What's unique is that instead of efficient compact vehicles leading the charge, purchase intent is leaning towards improved performance, innovative amenities and lasting engineering."

NADAguides.com's Top Five Most Researched Cars following tax season are:

- 2011 Ford Mustang
- 2010 Chevrolet Equinox
- 2010 Ford Fusion
- 2010 Chevy Camaro
- 2010 Dodge Challenger

In today's political and economic environment, it is fascinating that US consumers are so interested in American muscle cars. The fact that 3 of the top 5 most researched cars are both muscle cars and

retro-styled is very telling. Obviously, the Baby Boomers are remembering the good times of their youth and the cars that went with it, and the younger generations are finding American muscle cool.

When we look at the sales numbers we find that so far (through April) this year

Vehicle	Units Sold	% Change to LY
Ford Fusion	70,000	+50%
Chevrolet Equinox	42,000	+144%
Chevrolet Camaro	30,000	new
Ford Mustang	21,000	+20%
Dodge Challenger	11,000	-2%

Ford has raised the bar in 2010 and it shows with the 2011 Ford Mustang as the clear standout. Chevrolet's second generation Equinox, also a NADAguides.com "Best Car Buy" and "Car of the Month" for May, and the 2010 Ford Fusion follow close behind. The retro designed Dodge Challenger rounds out the top five as consumers are still more interested in high-performance, refined amenities and overall American reliability.

Source: NADAguides.com, Fast Lane Research

Light Truck Sales Rise Again

Back in March, Fast Lane Research asserted that the light truck market was not dead. Now in May we are back to tell the same story, but with more data.

April new vehicle sales show that light trucks are up nearly 26% over April 2009, while new passenger car sales are up 14%. Add to that, the year-to-date picture shows trucks gaining ground as well. Through the month of April, light truck sales are beating last year by 17%. This at a time when new car sales are ahead less than 16%.



But as they say, the devil is in the details. When we talk about light trucks we typically include pickup trucks, SUVs, CUVs and vans. Year-to-date through April 2010 light-vehicle sales are up nearly 17% over the same period in 2009. Against that backdrop we find the light truck categories up against last year by:

SUVs: 0.0%
Vans: +0.6%
Pickups: +8.7%
CUVs: +35.8%

So far this year some of the real winners in number of units and percentage growth are:

Vehicle	Units Sold	% Change to LY
Ford F-Series	88,000	+33%
Ford Escape	64,000	+44%
Toyota RAV4	55,000	+40%
Ford Edge	34,000	+43%
Kia Sorento	33,000	new

The light-truck segment peaked in 2004 when it accounted for nearly 55% of all new vehicles sold. It looked to be the culmination of a shift that began back in the '80s. Then in 2008 light-truck's market share dropped to 47%. Products sat on the shelf, businesses closed, and many proclaimed the light-truck market dead. If that were the case, you would expect market share to continue to decline, but it hasn't. In fact, it is slowly moving upward again. As of April 2010, light truck is accounting for a little over 49% of all new vehicles sold in the US.

Also in that March story, we pointed out that pickup truck share of new-vehicle sales peaked in 2004 at nearly 14%. In April 2010, pickups accounted for just over 13%, and year-to-date they are at just under 13% of all new vehicles sold in the US.

So you see, neither the light-truck market nor the pickup truck market is dead.

New Museum To See Next Time You Are In CA



If you like Delahayes and Bugattis don't miss the new Mullin Automotive Museum. The Mullin Automotive Museum is all about art deco and the machine age - eras that produced exquisite art and magnificent automobiles. The museum is home to examples of the finest of historic French automobiles from the Bugatti to the Voisin as well as significant and representative decorative art from this same period.

The Mullin Automotive Museum building was previously owned by newspaperman Otis Chandler who once housed a collection of vintage automobiles and motorcycles in what is now the revamped museum structure.

After Mr. Chandler's death in 2006, Mr. Mullin acquired the property, then called "The Vintage," and began an extensive remodel.

The collection includes some of the most beautifully styled and amazingly engineered French-built cars covering several decades: Bugattis, Delages, Delahayes, Hispano Suizas, Talbot-Lagos and Voisins.

Many notable cars in this collection have won prestigious awards at concours d'elegance throughout the

world. In addition, a number of the race cars have been past winners of historic races, such as the Grand Prix de Pau and Le Mans.

LOCATION
1421 Emerson Avenue
Oxnard, CA 93033

805.385.5400
805.385.5422 (fax)
Info@mullinautomotivemuseum.com

Hours: 10:00 AM - 3:00 PM

Please call for a reservation.

EPA Considering The Use Of E15

The Auto Alliance, the American Petroleum Institute and the Outdoor Power Equipment Institute urged EPA to delay action on the agency's proposal to allow higher levels of ethanol in gasoline. Higher levels of ethanol have not been proven safe or effective according to industry projections based on preliminary results of testing introduced recently at a meeting of the Mid-Level Ethanol Blends Research Coordination Group.

The question we have is, "what affects will E15 have on the performance parts produced by the automotive performance parts and accessories industry?" Will the increased ethanol content have negative effects, such as increased corrosion and premature failure rates, on our industry's products? We don't have the answers.

Dave McCurdy, president and CEO of the Alliance of Automobile Manufacturers; Jack Gerard, president and CEO of the American Petroleum Institute; and Kris Kiser, executive vice-president of the Outdoor Power Equipment Institute issued the following statement: "As the EPA proceeds with important decisions about ethanol and biofuel blend rates, it is imperative that those decisions be made with the end user market in mind. These decisions will have real world impacts and we urge the EPA to refrain from setting a premature deadline that ignores reliable, scientific data about the effects of higher ethanol blends on emissions, durability and consumer safety. We remain committed to finding the right market solutions for renewable fuels and look forward to continuing our work with the EPA on this matter."

In addition to government funds, the auto and oil industries have spent more than \$6 million over the last two years testing engine performance and durability of higher ethanol fuels, as well as testing storage and dispensing of fuels with 15 percent ethanol (E15). Currently, fuels are allowed by EPA to contain only up to 10 percent ethanol (E10).

Approval of E15 should wait until testing is complete. This testing looks at the potential for vehicle engine and fuel system component damage when operating on this fuel blend. "The impacts of higher ethanol blends will fall on consumers, who will be ill-prepared to determine the right fuel for their car, lawn equipment, boat or motorcycle," said Al Jessel, senior fuels policy advisor for Chevron. "EPA should delay changing the gasoline mix in this country until research into all aspects of vehicle and engine performance is complete."

"Testing for engine and vehicle compatibility and environmental issues is scheduled for completion in 2011," said Coleman Jones, biofuel implementation manager for General Motors. "There's no need for

precipitous action when the scientific results are so close at hand."

Source: Auto Alliance; American Petroleum Institute; Outdoor Power Equipment Institute

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