

THE U.S. COMMERCIAL FLEET MARKET FORECAST: 2004-2008

STUDY CONSPECTUS

*Vehicle Procurement including Advanced
Vehicle and Fuel Technologies
Fuel and Payment Methods
Leasing, Maintenance & TBA, and Fleet
Management*

HAVILL
CONSULTANTS

2 – THE U.S. COMMERCIAL FLEET MARKET STUDY

ABSTRACT

CONSPECTUS CONTENTS:

ACKNOWLEDGEMENT	5
TABLE OF CONTENTS	7
OVERVIEW	17
STUDY OBJECTIVES	21
RESEARCH METHODOLOGY	31
APPENDIX TABLE OF CONTENTS.....	33
QUESTIONNAIRES	37
SAMPLING STRATIFICATION.....	81
BUSINESS FLEETS SURVEYED	85
STUDY PURCHASE AGREEMENT AND ORDER FORM.....	97

THE HAVILL STUDY

The Havill study is the primary source of planning data for companies supplying automobiles, trucks, fuel, leasing, maintenance, TBA, card payment solutions, and advanced technologies to the fleet industry. This data is vital to marketers due to the fragmented nature of the industry.

To isolate the market forces driving purchase decisions, the Commercial Fleet Market Forecast separates the market into 10 unique segments: agriculture, construction, service, retail, manufacturing, wholesale, long haul, short haul, utility, and government; and three fleet size ranges: 4 to 9, 10 to 49, and 50 or more vehicles.

Over forty suppliers to the industry participated in the research design. Interviews were conducted with a stratified sample of 1,100 fleet operators across the U.S. to determine their current satisfaction level and find out what they are looking for in the next generation of products and services.

The research quantifies their purchases of fleet related products and services, and forecasts the adoption rates of new technologies. The market position of competing products is broken out by business segment and fleet size.

Survey results are projected to the U.S. fleet population based on Department of Commerce benchmarks, published every five years. Trends are noted across the timeline covered by the Havill study series: 1995, 2000, and 2005.

COMPLEMENTARY HAVILL SERVICES

Market research provides the intelligence needed to develop sound business strategies and effective marketing plans. The mission of Havill & Company is to extend the value of this research to sales associates and channel partners by providing real-time access to:

- A data warehouse of fleets identified by the research,
- The direct marketing and sales support tools required to convert these prospects to customers.

Research from *The U.S. Commercial Fleet Market Forecast* serves as the foundation for these services. For the past decade, industry leaders have relied on this multi-client study series as their primary source for fleet industry planning data. The research is a critical examination of market trends, the relative position of competing products, the adoption rates of new technologies, and the product preferences of commercial fleet operators.

The research also benchmarks vehicles by class and the consumption of fuel, preventive maintenance, parts, and tires. The benchmark data is available by State and Metropolitan Statistical Area (MSA).

Havill has compiled a research database of over 860,000 fleet operators across the country. Access to the database is provided through FleetLeads, Havill's web-based lead management program. FleetLeads enables subscribers to query the market by geography, type of business, fleet size, and vehicle class. Leads can be printed or downloaded for distribution to the sales team.

Havill builds proprietary data warehouses for subscribers using the research database as a template. A customer file analysis identifies the characteristics of prospects that resemble good customers. Leads that match the good customer profile and that are not already present in the data warehouse are imported. Since all list sources are incomplete to some degree, lists are added in layers until the warehouse is complete.

Subscribers access their data warehouse through a customized version of FleetLeads, a full-featured lead management program providing a complete set of direct marketing and sales support tools to support sales associates and channel partners. Access rights are controlled through the use of usernames and passwords.

Havill also provides white papers on best industry practices based on fleet study findings. They position the subscriber as a leading solution provider on the topic covered, and are the cornerstone for Havill's lead qualification services.

ACKNOWLEDGEMENT

RESEARCH DESIGN

Each survey in this multi-client study series began by mailing issues ballots to executives in the vehicle manufacturing, leasing, maintenance, TBA, telematics, insurance, fleet card, and petroleum retailing industries. Using the 2000 study as a template, over 500 hours of executive interviews and background research went into updating the issues to be covered in this commercial fleet market study.

The value of the research lies in its ability to address the issues facing suppliers of the commercial fleet market. The table below lists industry leaders who have provided input to this study series. Many of these companies are charter subscribers and contributed to study objectives through hours of questionnaire design. Though the charter subscriber base is diverse, one common goal exists among them, to obtain planning data, not available elsewhere, as input to their strategic and market planning processes.

Organizations Participating in the Design Process

American Honda	Fleetmark	PeopleNet
Allison Transmission	FleetOne	Peterbilt Motors
AMI	Ford Motor Company	PHH Vehicle Mgmt System
ARI	Freightliner	PS Energy
Bandag	Fleetcor	QuickTrip
Bridgestone/Firestone	GE Capital Fleet Svcs	Rollins Leasing Corporation
Bush Transportation	General Motors	Ryder
Cenex	Goodyear Tire & Rubber	Saab
Chevron	Hitachi Credit Fleet Svcs	Shell Oil Company
Citgo Petroleum	Isuzu Motor Inc	Sunoco
Comdata	Kelly Springfield Tire	Supreme Corporation
Commercial Body Builders	KIA Motors America	TCI
Cooper Tire & Rubber	LeasePlan	Tosco
Daimler/Chrysler	Mack Trucks	Toyota
Dent Wizard	Marathon Ashland Petroleum	Truax Harris
Donlen	MasterCard	US Bank
Dunlop Tire Corp	Michelin	U.S. Fleet Leasing
Earl Scheib Paint & Body	Mitsubishi Fuso	Velcor Leasing Corporation
Eaton Corporation	NAPA	Visa International
Enterprise Fleet Services	NGK Spark Plugs	Voyager
Equilon Enterprises	Nissan Motor Corp	Wheels, Inc.
ExxonMobil	PACCAR Leasing Corp	Wright Express
	Pennzoil	

RESEARCH STUDY TEAM

Havill & Company consultants routinely conduct both syndicated and proprietary studies for clients serving the transportation industry. We have performed numerous in-depth studies of the commercial fleet market. From this previous research, we have developed extensive databases of fleet operators.

These databases are used for survey research and to support our clients' direct mail and telemarketing programs. Our proprietary Internet based lead distribution and sales support website, www.FleetLeads.com, provides marketing support to our clients' direct sales and channel partner organizations. The team of consultants that published this multi-client research report and deliver these marketing services is listed below.

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TABLE OF CONTENTS

INTRODUCTION

ACKNOWLEDGEMENT	2
RESEARCH DESIGN.....	2
RESEARCH STUDY TEAM.....	3
TABLE OF CONTENTS.....	4
OVERVIEW.....	13
STUDY OBJECTIVES.....	17
MARKET RESEARCH OVERVIEW.....	17
VEHICLE PROCUREMENT SURVEY	18
<i>Vehicle Procurement Issues</i>	18
<i>Advanced Vehicle and Fuel Technology Issues</i>	19
FUELING AND PAYMENT METHOD SURVEY	21
<i>On-site Fueling Issues</i>	21
<i>Off-site Fueling Issues</i>	21
<i>Payment Method Issues</i>	22
FLEET MANAGEMENT SURVEY.....	24
<i>Leasing Issues</i>	24
<i>Maintenance & TBA Issues</i>	25
<i>Fleet Administration Issues</i>	25
RESEARCH METHODOLOGY.....	27
REPORT SYMBOLS	28
CHAPTER 1 MARKET DEMOGRAPHICS	1-1
EXECUTIVE SUMMARY	1-1
<i>Background</i>	1-1
<i>Major Issues</i>	1-2
<i>Summary</i>	1-3
<i>Vehicle Classes</i>	1-6
<i>Commercial Market Segments</i>	1-7
<i>Primary Sources for Fleet Demographics</i>	1-8
U.S. FLEET MARKET DEMOGRAPHICS	1-9
<i>Known Segmentation for All U.S. Vehicles</i>	1-9
<i>Four-Plus Fleet Commercial Vehicles</i>	1-10
Four-Plus Fleet Commercial Vehicles by Market Segment	1-11
Four-Plus Fleet Commercial Vehicles by Vehicle Class.....	1-12
Four-Plus Fleet Commercial Trailers.....	1-14
Four-Plus Fleet Vehicles Requiring Commercial Driver License (CDL).....	1-15
<i>Average Annual Mileage</i>	1-17
<i>Average Miles Per Gallon</i>	1-18
<i>Total U.S. Fuel Consumption</i>	1-19
Fuel Consumption by Type of End User.....	1-19
Breakout of Motor Gasoline versus Diesel Consumption	1-21
FLEET DEMOGRAPHICS.....	1-22
<i>Four-Plus Fleet Commercial Vehicles – Owned versus Leased</i>	1-22
Four-Plus Fleet Commercial Vehicles – Owned Versus Leased.....	1-24
Future Four-Plus Commercial Vehicles – Owned versus Leased	1-26
<i>Fleet Disbursement</i>	1-27
Single Location versus Multiple Location	1-27
Home-Based versus Dispersed Commercial Fleets.....	1-29
Travel Characteristics of Commercial Fleets	1-31

8 – THE U.S. COMMERCIAL FLEET MARKET STUDY

<i>Four-Plus Fleet Commercial Fuel Consumption</i>	1-33
Four-Plus Commercial Fuel Consumption by Fuel Type	1-34
Four-Plus Commercial Fuel Consumption – On-Site Versus Off-Site	1-36
FUTURE VEHICLE PROCUREMENT PLANS	1-38
<i>Future Four-Plus Fleet Commercial Vehicles</i>	1-38
Future Change in Size of Four-Plus Commercial Fleets	1-38
Future Four-Plus Fleet Commercial Vehicles	1-40
Future Diesel Vehicle Purchases	1-41
Familiarity with New Low Sulfur Diesel Engines	1-42
Intend to Pre-Buy in Advance of Regulations	1-43
CHAPTER 2 VEHICLE PROCUREMENT	2-1
EXECUTIVE SUMMARY	2-1
<i>Background</i>	2-1
<i>Major Issues</i>	2-1
<i>Summary</i>	2-3
<i>Implications</i>	2-5
<i>Replacement Frequency of Vehicles</i>	2-6
<i>Vehicle Replacement</i>	2-7
Basis of Vehicle Replacement	2-7
Vehicle Replacement Cycle by Years	2-8
Vehicle Replacement Cycle by Miles	2-9
<i>Vehicle Selection Process</i>	2-10
Information Sources Used to Research Vehicle Purchases	2-10
Preferred Marketing Method	2-12
Preference for Finalizing Purchase or Lease	2-14
Primary and Secondary Reasons for Brand Selection	2-16
<i>Vehicle Selection Factors</i>	2-18
American versus Foreign Nameplate Preference	2-18
Residual Value	2-19
Difference in Residual Values of Nameplates	2-20
Order-to-Delivery Time	2-21
Typical Order-to-Delivery Time	2-22
Time Willing to Wait for Vehicle	2-24
PROCUREMENT OF OWNED VEHICLES	2-26
New Vehicle Suppliers	2-26
Financing of Purchased Vehicles	2-27
<i>Vehicle Specifications for Commercial Fleet Vehicles</i>	2-28
Low Cab Forward Truck Design	2-28
Current Use of Low Cab Forward Design	2-29
Expect Percent of Low Cab Forward Usage to Change by 2008	2-32
Use of Trucks with Low Cab Forward Design by 2008	2-33
Current Use of Automatic Transmissions	2-35
Current Use of Automatic Transmissions	2-36
Expect Automatic Transmission Usage to Change by 2008	2-39
Automatic Transmission Usage by 2008	2-40
Automatic Mechanical Transmissions	2-43
Importance of Automatic Mechanical Transmission	2-44
Current Use of Automatic Mechanical Transmissions	2-46
Commercial Fleet Vehicle Add-ons	2-48
Existence of Vehicle Add-ons	2-48
Installation Location for Vehicle Add-ons	2-49
CHAPTER 3 LEASING	3-1
EXECUTIVE SUMMARY	3-1
<i>Background</i>	3-1
<i>Major Issues</i>	3-2
<i>Summary</i>	3-2
<i>Implications</i>	3-3

LEASED VEHICLES PROCUREMENT PRACTICES.....	3-5
<i>Advantages of Leasing</i>	3-5
Primary Reason For Leasing.....	3-6
Primary Reason For Owning.....	3-8
<i>Commercial Fleet Leasing Companies</i>	3-10
Source of Leased Vehicles.....	3-11
Basis of Lease Contract.....	3-12
Length of Leasing Contract in Years	3-14
LEASING CONTRACTS.....	3-15
Financial versus Full-Service Leasing	3-16
OPEN-END VERSUS CLOSED-END LEASING	3-17
Open-End versus Closed-End Leasing.....	3-18
Reason for Not Using Full Service Lease	3-19
<i>Full-Service Lease Programs</i>	3-21
FULL-SERVICE LEASING OPTIONS	3-22
Importance of Administrative Programs	3-22
Administrative Programs Offered	3-24
Importance of Certification Programs.....	3-25
Certification Programs Offered.....	3-27
Importance of Fueling Programs.....	3-28
Fueling Programs Offered.....	3-29
Importance of Billing Programs.....	3-30
Offered Billing Programs.....	3-31
Importance of Maintenance Programs	3-32
Maintenance Programs Offered	3-34
Importance of Reporting Programs	3-35
Reporting Programs Offered	3-37
Importance of Miscellaneous Programs	3-38
Miscellaneous Programs Offered	3-39
SATISFACTION WITH LEASING PROGRAMS.....	3-40
Satisfaction with Primary Leasing Company	3-40
Likelihood to Keep Current Leasing Supplier.....	3-41
RENTAL OF ADDITIONAL VEHICLES	3-42
Rent Additional Vehicles.....	3-43
Incidents of Vehicles Rented	3-45
CHAPTER 4 VEHICLE & FUEL TECHNOLOGY.....	4-1
EXECUTIVE SUMMARY	4-1
<i>Background</i>	4-1
<i>Major Issues</i>	4-1
<i>Summary</i>	4-2
<i>Implications</i>	4-4
GASOLINE.....	4-6
Conventional Gasoline.....	4-6
DIESEL FUEL.....	4-11
Clean Diesel Trucks and Buses Rule	4-11
ADVANCED FUEL AND VEHICLE TECHNOLOGY	4-12
<i>Benefits of Advanced Vehicle Technologies</i>	4-12
<i>Types of Alternative Fuels</i>	4-15
<i>Alternative Fuel Consumption</i>	4-20
<i>Types of Advanced Vehicle Technologies</i>	4-22
<i>Federal Laws and Incentives</i>	4-27
ADVANCED VEHICLE TECHNOLOGIES	4-33
Involvement in Evaluation of Advanced Vehicle Technologies	4-33
Pushed Towards Advanced Vehicle Technologies by Government Requirements.....	4-35
Familiarity with Tax Incentive.....	4-36
Qualified Technologies for Incentive Program	4-37
Most Important Advanced Vehicle Technology Benefit.....	4-38
Demanded Payback Period in Months	4-40

10 – THE U.S. COMMERCIAL FLEET MARKET STUDY

ADVANCED VEHICLE TECHNOLOGY TYPES	4-41
Prior Evaluation of Advanced Vehicle Technologies	4-41
Degree of Evaluation of Advanced Vehicle Technologies	4-42
Ranking of Future Adoptions of Advanced Vehicle Technologies	4-44
Application of Technologies	4-45
In-House or Third-Party Retrofitting	4-46
Type of Vehicles Targeted for Advanced Vehicle Technologies	4-47
Consider Purchasing Advanced Technologies Today	4-48
Expected Year to Research Advanced Vehicle and Fueling Technologies	4-49
Expected Year to Pilot Advanced Vehicle and Fueling Technologies	4-50
Expected Year to Implement Advanced Vehicle and Fueling Technologies	4-51
PROCUREMENT PLANS FOR TECHNOLOGIES	4-52
Plan for Moving to High Efficiency Vehicles	4-52
Anticipated Cost Savings per Year	4-54
Prior Implementation of Advanced Vehicle Technologies	4-55
Vehicles with Advanced Vehicle Technologies	4-56
Vehicles Equipped by 2008 with Advanced Vehicle Technology	4-57

CHAPTER 5 ON-SITE VS OFF-SITE FUELING 5-1

EXECUTIVE SUMMARY	5-1
<i>Background</i>	5-1
<i>Major Issues</i>	5-2
On-Site Fueling Issues	5-2
Off-Site Fueling Issues	5-2
<i>Summary</i>	5-3
<i>Implications</i>	5-4
ON-SITE VERSUS OFF-SITE FUELING PRACTICES	5-6
On-Site Versus Off-Site	5-6
On-site Versus Off-site Gallons	5-8
Four-Plus Commercial Fuel Consumption – On-Site Versus Off-Site	5-10
<i>On-Site Fueling</i>	5-12
Primary On-Site Fueling Method	5-13
Stationary Tanks Versus Mobile Fueling by Vehicle Type	5-14
Stationary Tanks and Mobile Fueling Gallons	5-15
Primary Off-Site Fueling Method	5-16
Off-Site Locations by Vehicle Type	5-17
Off-Site Fueling Gallons by Location	5-18
On-site Versus Off-Site Fueling in 2008	5-19
Breakout of Fueling Location by 2008	5-20
ON-SITE FUELING PRACTICES	5-21
On-site Fueling Mix by 2008	5-21
Stationary Tanks Versus Mobile Fueling by 2008	5-22
Primary Reason for Fueling On-Site	5-23
Importance of Knowing Future Fuel Prices	5-24
Risk Management Use	5-25
Current Process to Reconcile Dispensed Fuel	5-27
Desire to Reconcile Fuel Purchases	5-28
OFF-SITE FUELING PRACTICES	5-29
Primary Reason for Fueling Off-Site	5-29
Station Preference	5-31
Miles Driven to Fueling Facility	5-32
Other Stations Passed to Fuel	5-34
Primary Reason for Not Fueling at Closest Location	5-35

<i>Off-Site Fueling Facility Features</i>	5-36
The Future of Fueling Facility Service Features	5-36
Physical Facility Attributes	5-37
Payment Methods	5-38
Merchandise Offerings	5-39
Importance of Payment Acceptance Options	5-41
Payment Acceptance Option Offered	5-42
Importance Rating of Physical Facility Attributes	5-43
Physical Facility Attributes Offered	5-44
Importance Rating of Vehicle Services	5-45
Vehicle Services Offered	5-46
Importance Rating of Merchandise Offering	5-47
Merchandise Offered	5-48
Importance Rating of Petroleum Equipment	5-49
Petroleum Equipment Offered	5-50
CHAPTER 6 OFF-SITE PAYMENT METHODS	6-1
EXECUTIVE SUMMARY	6-1
<i>Background</i>	6-1
<i>Major Issues</i>	6-2
<i>Summary</i>	6-3
<i>Implications</i>	6-6
CREDIT CARD MARKET OVERVIEW	6-7
Credit Cards	6-9
<i>Commercial Fleet Credit Card Types</i>	6-20
Commercial Fleet Debit Cards	6-24
OFF-SITE FUEL PAYMENT	6-28
Payment Method Breakout	6-28
Payment Methods by Gallons	6-30
Payment Methods Change by 2008	6-32
Method of Payment by 2008	6-33
RFID TRANSMITTERS	6-34
Initiate Fueling with RFID Transmitters	6-34
Interest in RFID Transmitters	6-35
Most Important Advantage of Payment Method	6-37
Ability of Driver to Choose Payment Method	6-38
FRAUD OR MISUSE	6-39
Experience with Fraud or Misuse	6-39
Misuse Occurrences	6-41
Plan to Use a Card Program by 2008	6-43
Benefit of Implementing a Card Program	6-44
Drawbacks of Card Programs	6-46
FLEET CARD USAGE	6-48
Number of Card Programs	6-48
Use of Multiple Cards for Fuel Purposes	6-49
Reasons for Multiple Card Usage	6-50
Preference of One Card Program	6-51
Type of Card Issuer	6-52
Card Affiliation with a Major Network	6-53
Type of Card	6-55
Business Card Provides Fleet Reporting	6-56
Card Type – Credit or Debit	6-58
Card Acceptance at Station Type	6-59
Preference of Universal Acceptance	6-60
Most Important Reason for Using Primary Card Program	6-61
Card Program Dictates Facility	6-63
Fleet Card Assignment	6-64
Use of Card	6-65
Merchandise and Services Purchased	6-67
Likelihood of Using a Universal Card if Offered Discounts on Total Purchases	6-69

12 – THE U.S. COMMERCIAL FLEET MARKET STUDY

CHAPTER 7 CARD PROGRAM FEATURES.....	7-1
EXECUTIVE SUMMARY	7-1
<i>Background</i>	7-1
<i>Major Issues</i>	7-2
<i>Summary</i>	7-3
<i>Implications</i>	7-5
CARD PROGRAMS – DISCOUNTS AND FEES	7-7
Standard Retail or Special Pricing	7-7
Special Pricing.....	7-9
Standard Retail Pricing.....	7-10
Discount According to Billing.....	7-11
Fixed Percentage or Varying	7-12
Loyalty Reward Programs Offer Points.....	7-13
Purchases Applying to Points	7-14
Receiver of Program Benefits.....	7-15
Card Fee	7-16
Basis for Fee.....	7-17
CARD PROGRAM FEATURES	7-18
Acceptance Importance	7-18
Acceptance Offered.....	7-19
Fees, Terms, and Limits Importance	7-20
Fees, Terms, and Limits Offered	7-21
Purchase Abilities Importance.....	7-22
Purchase Abilities Offered.....	7-23
Security Importance.....	7-24
Security Offered	7-25
Miscellaneous Importance.....	7-26
Miscellaneous Offered.....	7-27
CARD PROGRAMS – REPORTING.....	7-28
Types of Reports Offered	7-28
Card Reporting Satisfaction.....	7-29
Suggested Improvements.....	7-30
CARD PROGRAMS – BILLING	7-31
Billing Cycle	7-31
Current Cycle Most Convenient	7-32
Preferred Method of Receiving Bills.....	7-33
Tax Exemption on Fuel Purchases	7-34
Supplied Tax Information.....	7-36
Online Account Use	7-38
Preferred Payment Method.....	7-39
Likelihood of using EFT	7-40
Electronic Fund Transfer Use.....	7-41
Electronic Fund Transfer Incentive	7-42
SATISFACTION WITH CARD PROGRAM.....	7-43
Primary Card Satisfaction.....	7-43
Recommendations for Improvement	7-45
Time with Primary Card Program	7-46
Primary Card Introduction	7-47
Information through Visit or Phone.....	7-48
Internet Use in Program Research	7-49
Importance of Sales Visits.....	7-50
CHAPTER 8 MAINTENANCE AND TBA.....	8-1
EXECUTIVE SUMMARY	8-1
<i>Background</i>	8-1
<i>Major Issues</i>	8-2
<i>Summary</i>	8-3
<i>Implications</i>	8-4

VEHICLE MAINTENANCE PRACTICES SURVEY	8-6
Leasing Companies Provide Strategies to Reduce Costs	8-6
Most Important Strategy for Lowering Maintenance Costs	8-7
Importance of Standardizing Truck Specifications	8-9
Importance of Minimizing Out of Service Time	8-10
Most Important Benefit of Preventive Maintenance	8-11
ON-SITE VS. OFF-SITE PREVENTIVE MAINTENANCE	8-12
Preventive Maintenance Performed On-Site versus Off-Site	8-12
Percent of Preventive Maintenance Performed On-Site versus Off-Site	8-14
Maintenance Method Used by Commercial Fleet Vehicles	8-16
<i>On-Site Maintenance Methods</i>	8-17
Company Operated On-Site Maintenance or Outsource to Third-Party	8-18
Interested in Outsourcing Management and Operation of Maintenance	8-20
<i>Mobile Maintenance Service to Perform Preventive Maintenance On-Site</i>	8-21
<i>Off-Site Maintenance Methods</i>	8-24
Type of Service Center Used for Maintenance	8-25
Expect Maintenance Change by 2008	8-27
Expected Change by 2008	8-28
On-site Versus Off-site Preventive Maintenance in 2008 by Number of Vehicles	8-29
Most Important Preventive Maintenance Provider Advantage	8-31
Satisfaction with Preventive Maintenance Provider	8-33
Reason for Satisfaction Rating	8-35
PREVENTIVE MAINTENANCE INTERVALS	8-36
Basis of Preventive Maintenance Intervals	8-36
Preventive Maintenance Intervals Per Year	8-37
Average Preventive Maintenance Cost Per Visit	8-39
Keep Inventories of Vehicle Parts	8-40
Average Spending on Stocking Inventory per Vehicle per Year	8-42
Value of Current Inventory per Vehicle	8-43
TIRE REPLACEMENT PRACTICES	8-44
Median Replacement Cycle for Tires by Vehicle Type	8-46
Tire Replacement Methods	8-48
Percent of Tire Replacements that are New Versus Retreads	8-49
Where New Tires Are Purchased	8-51
CHAPTER 9 FLEET ADMINISTRATION I	9-1
EXECUTIVE SUMMARY	9-1
<i>Background</i>	9-1
<i>Major Issues</i>	9-2
<i>Summary</i>	9-3
<i>Implications</i>	9-4
SAFETY PROFILE	9-5
Usage of DOT Registered Vehicles	9-5
DOT Accidents per Million Miles	9-7
Average Direct Costs of Accidents per Million Miles	9-8
<i>Safety Programs</i>	9-9
Benefits of Safety Program	9-9
Existence of Company Safety Policies	9-10
Reasons for Not Having a Safety Policy in Place	9-11
Safety Policy Programs	9-12
Collision Savings if Accident Rates were Reduced by 50 percent	9-14
Source of Collision Savings	9-16
Likelihood to Order New Vehicles with Onboard Radar Technologies	9-17
Method of Insurance	9-18
Likelihood to Consider Purchasing Insurance from Fleet Card Provider	9-20
Consider Purchasing Safety Items Through Fleet Card Providers	9-22
Expectations about Insurance Rates in 2008	9-23
Primary Factor Leading to Increases	9-24
Primary Factor Leading to Decrease	9-25

14 – THE U.S. COMMERCIAL FLEET MARKET STUDY

TRACKING APPLICATIONS FOR FUEL AND MAINTENANCE	9-26
Fuel Tracking Software	9-26
Maintenance Tracking Software.....	9-26
FLEET COST TRACKING AND REPORTING	9-28
Track Fuel Expenses.....	9-28
Track Fuel Expenses at Vehicle Level	9-29
Track Maintenance Expenses	9-31
Track Maintenance Expenses at Vehicle Level.....	9-32
Importance of Tracking in One System.....	9-33
Track Vehicle Expenses in One System	9-35
Type of Tracking System	9-37
Methods Used to Collect Information on Expenses.....	9-38
Uses of Expense Information	9-39
Most Important Expense Information.....	9-41
CHAPTER 10 FLEET ADMINISTRATION II.....	10-1
EXECUTIVE SUMMARY	10-1
<i>Background</i>	10-1
<i>Major Issues</i>	10-1
<i>Summary</i>	10-2
<i>Implications</i>	10-5
OUTSOURCING FLEET OPERATIONS.....	10-6
Vehicle Procurement Management.....	10-6
Maintenance Management.....	10-7
Fueling Management	10-7
Driver Management.....	10-8
Financing.....	10-8
FLEET OUTSOURCING PRACTICES	10-9
Outsource Management of Services	10-9
Most Important Factor in Decision to Outsource.....	10-11
Vendors Providing More than One Service	10-12
Type of Company Providing These Services.....	10-14
Pricing Options.....	10-15
Likelihood of Purchasing Services Bundled.....	10-16
Primary Benefits of A La Carte.....	10-17
Consideration of Total Fleet Management Outsourcing.....	10-18
Reasons for Not Considering.....	10-19
INTERNET USAGE	10-20
Internet Usage for Fleet Related Activities.....	10-20
Uses of the Internet for Fleet Related Activities.....	10-21
Activities Managed by Web Applications	10-23
Use of Web Applications for Fleet Purchases	10-25
Fleet Items Purchased Via the Internet.....	10-26
Track Costs or Identify Exceptions via Web Applications.....	10-27
Web Applications are Used to Track Costs or Identify Exceptions.....	10-28
Produce Reports via Web Applications.....	10-29
Types of Web Application Reports Used	10-30
Recommended Improvements to Web Applications.....	10-31

TELEMATIC DEVICES	10-32
Importance of Telematics Benefits	10-33
Cost Savings Required for Telematics Implementation	10-35
Satisfied if Savings Paid for Costs Over the Life of the Vehicle	10-37
Leasing Company Offer Telematics and Include Cost in Lease	10-39
Internet Reports Combine Leasing and Telematics Data	10-40
Telematics Available from the Company that Supplies Vehicles	10-42
Likelihood to Order Telematic Devices if Available.....	10-43
Shopped for Telematics from an OEM Vehicle Manufacturer.....	10-44
Preferred Supplier of Telematic Devices	10-45
Telematics Needs Not Available from the OEM Vehicle Manufacturer.....	10-46
Purchased Telematic Devices	10-47
Activities Supported by Telematic Devices	10-49
Purpose of Driver-to-Dispatcher Communication Devices	10-50
Purpose of Telematic Vehicle Tracking Devices	10-52
Purpose of Telematic Trailer Tracking Devices.....	10-54
Purpose of Telematic Vehicle Diagnostic Devices	10-55
Preference of System Implementation	10-56
Changes in Fleet Management Due to Telematics	10-57
Functions Benefiting Most From Telematics	10-58
Vendor for Telematic Devices	10-59
Importance of Consolidating Telematics Reporting with Other Reporting Systems.....	10-60
Single Integrated Fleet Management System	10-62
Preferred Payment Method	10-63
Anticipated Telematics Usage by 2008.....	10-64
FLEET MANAGEMENT PROFILE.....	10-66
Fleet Vehicles Operate Out of Multiple Locations.....	10-66
Make Decisions for One or More than One Location	10-67
Involvement with Decision Making for Fleet Activities	10-68
Make Final Decision for Fleet Activities	10-69
Method of Decision Making	10-70
Number of Years Making Procurement Decisions by Committee	10-72
Factors Driving Committee Based Decision Making.....	10-74
International Fleet Operations.....	10-76
Fleet Activities Managed on a Global Basis	10-77
Activities Managed on a Global Basis	10-78
Department Responsible for Managing Global Fleet Operations.....	10-79
Expect to Begin Global Fleet Management by 2008.....	10-80
Department Responsible for Fleet Administration.....	10-81
Membership in Industry Associations.....	10-83
Fleet Association Membership.....	10-84
Information Sources Used to Keep Up-to-Date on the Fleet Industry.....	10-85
Top Fleet Administration Issues in the Coming Years.....	10-87



OVERVIEW

This multi-client study series began over a decade ago in 1993. This is the fourth major publication. The timing for the research was set to follow the publication of key industry benchmarks; in particular, the U.S. Department of Commerce, Vehicle Inventory and Use Survey (VIUS).

The research for this report was conducted during a time of unprecedented increases in the price of vehicle fuels. Consequently, fleet administrators came under extreme pressure to meet their operating budgets. The search for cost control has cut across virtually every aspect of fleet operations. An already cost conscious industry has become more so. Today, the first question being asked is: *How will this product or service increase the efficiency and productivity of my fleet operations?* The implications of this question are found in every chapter of the report.

To understand and characterize the trends that are occurring within the industry, this report begins by profiling the demographics of the fleet market. Market statistics include vehicle populations by vehicle type, travel patterns, owned and leased vehicles, gas and diesel fuel consumption, and on-site and off-site fuel consumption. All market demographics have been classified into ten distinct business segments. All vehicle and consumption statistics have been analyzed and projected to the four-plus commercial vehicle population. In addition, a forecast of the future four-plus fleet vehicle population is provided.

Vehicle procurement is a primary responsibility of fleet administrators. In the past, commercial vehicles were either purchased using internal funds or financed. More recently, however, fleet vehicle leasing has become prevalent throughout all business segments and fleet size ranges. This research provides a better understanding of the processes used by different segments of the fleet market to research, select, finance, and replace their vehicles.

Vehicle leasing programs have become a popular alternative that many fleets consider when procuring their vehicles. Leasing programs can benefit fleet managers by freeing up capital and reducing the ownership risk of outdated equipment. However, strong competition within the industry requires leasing companies to develop well-structured programs for fleet managers. To help vehicle leasing companies fine-tune their offerings, this research measures fleet interest in leasing programs, full-service features, contract terms, and supplemental rental vehicles.

Historically, a primary responsibility of the fleet manager has been to make certain that their vehicle fleet is properly maintained. Fleet maintenance practices have evolved over time. In the past, companies had in-house technicians or a local garage maintain their vehicles. Today, companies not only continue to use traditional methods, but also use mobile maintenance providers or outsource the maintenance to third-party on-site technicians. Competition for off-site maintenance has been intense between vehicle dealers and independent garages. Recently, competition has become even more intense with the widespread introduction of leasing company maintenance programs. This research measures maintenance vendor selection factors, types of vendors used, frequency of use, vendor satisfaction, and interest in maintenance tracking programs.

Fleet fueling is another component in the fleet service industry. Traditionally, the fleet administrator's decision to fuel on-site or off-site has been a tradeoff among cost, convenience, and control. EPA fuel storage tank regulations established in 1988 forced fleet administrators to evaluate the cost effectiveness of upgrading their fueling facilities versus moving off-site to fuel. Historically, fleets maintained on-site facilities because they offered benefits not available through retail fueling. Today the benefits of on-site fueling are challenged by offerings that are made available at off-site fueling facilities.

While off-site commercial fueling has been an active and growing market, the on-site fueling segment has been in a state of flux. Largely unregulated prior to 1988, commercial fleets found on-site facilities a convenient alternative that ensured an adequate fuel supply and enabled them to easily track their fuel consumption and related expenditures. However, EPA regulations passed in 1988 called for the fleet manager to meet new on-site fueling facility mandates. The increased liability of underground storage tanks (USTs) and cost to upgrade to meet 1998 regulatory requirements has forced fleets to rationalize their on-site facilities. UST liability coupled with the lure of enhanced fleet services offered by retail marketers have persuaded many on-site commercial fleets to look for other options.

For those fleets that prefer to fuel on-site but are not interested in the many hassles associated with operating their own fueling facility, there is the option of mobile fueling. Mobile fueling, sometimes referred to as wet-hosing, has begun to gain market share. This relatively new service offers many of the benefits of on-site fueling without the capital cost and liability of maintaining an on-site facility. This study quantifies the on-site market by fueling method, and profiles the reasons why companies choose to fuel on-site.

Other fleet managers may choose to fuel off-site, a decision made easier with the benefits offered by oil companies' enhanced fleet fueling programs. As marketers took notice of a growing commercial fleet market, increased consideration was given to the fleet manager's expectations regarding facility attributes, and the need for convenient billing and reporting options. Meeting the requirements of the commercial fleet manager is key to gaining and maintaining brand loyalty and market share. Marketers want to ensure that new facility designs meet the needs of fleet managers. In response, this survey breaks out fuel consumption by on-site versus off-site fueling. In addition, it assesses the market need for facility offerings and services, as well as reviewing potential areas that may impact facility loyalty.

In the early 1990s, the most significant off-site fueling market development was the widespread introduction of payment programs designed specifically for fleets. Petroleum marketers realized the importance of fleet fueling cards in capturing market share and establishing brand loyalty.

The competition to establish brand loyalty among fleets was reflected in the increased offerings of commercial fleet cards. At one time, a credit card statement would have only included the account number, transaction date, fueling location, and transaction amount. Now, many fleet cards are used to track fuel purchases and other necessities; such as tires, maintenance, travel, and general business expenses. Today, fleet card programs feature universal acceptance, discounts, customized restrictions, and detailed reporting. Once only available through on-site fueling, convenience, cost effectiveness, and control benefits are realized through the use of fleet cards. To better understand what fleet operators are looking for from their fleet card providers, the research results breakout payment methods, card and billing features used, and interest in non-fuel purchasing and tracking.

In the past, the fleet manager's primary function was to keep the company's fleet vehicles fueled and maintained. Today's fleet managers take on a multitude of additional fleet related activities. Many are responsible for procurement, fuel and maintenance programs, driver management, insurance, and logistics. For some, fleet management is only a portion of their job responsibility. As a result, outsourcing fleet activities, such as fueling, maintenance, and logistics, allows fleet administrators to focus on making the fleet a profit center. For card providers, vehicle manufacturers, leasing, and vehicle management companies, this survey reports the purchase decision processes, expense tracking methods, and attitudes towards fleet vehicle management.

STUDY OBJECTIVES

MARKET RESEARCH OVERVIEW

Successful business plans require accurate market forecasts. Due to the diversity of issues covered by the research, the decision was made to publish the 2005 U.S. Commercial Fleet Market Study as three reports covering the following topics:

Vehicle Procurement – Advanced Vehicle and Fuel Technologies

Chapter 2 – Vehicle Procurement

Chapter 4 – Advanced Vehicle and Fueling Technology

Fueling and Payment Methods

Chapter 5 – On-Site versus Off-Site Fueling

Chapter 6 – Off-Site Payment Methods

Chapter 7 – Card Program Features

Leasing, Maintenance & TBA, and Fleet Management

Chapter 3 – Leasing

Chapter 8 – Maintenance and TBA

Chapter 9 – Fleet Administration I

Chapter 10 – Fleet Administration II

The market demographics section is common to all reports. It provides an overview of the trends occurring in the U.S. commercial fleet market, presenting statistics on businesses operating fleets, the number and type of vehicles in their fleet, where they are domiciled, their travel patterns, and annual miles driven.

VEHICLE PROCUREMENT SURVEY

Advanced Vehicle and Fuel Technologies

This research examines the overall attitudes and opinions of commercial fleet operators toward vehicle procurement decisions. The research identifies factors that drive vehicle acquisition decisions: performance, safety, cost, environmental and legislative. The scope includes vendors, fuels, maintenance, and financing to the extent that these factors influence the procurement decision. Detailed fleet demographic information was collected so that the survey findings could be broken out by size and type of vehicles that make up the fleet.

VEHICLE PROCUREMENT ISSUES

This part of the survey explores factors driving fleet vehicle procurement decisions. The research enables vehicle suppliers and leasing companies to identify fleet characteristics that define their target market. Fleet operators were asked a series of questions. Why do they prefer to purchase rather than lease their vehicles? To what extent do they want to get involved in fleet management activities versus outsourcing these activities? How do they decide which type of vehicle to purchase, chassis design, add-ons, and options? Would they rather do business with the OEM-dealer or a third-party supplier? Where does the information come from to make these decisions? What role does the Internet play? Additional issues within the scope include:

Fleet vehicle replacement cycles – This is important to understand because it determines the rate in which new technology is adopted. Fire and rescue vehicles, for example, log fewer miles and are commissioned longer than courier vehicles. The rate of adoption of hybrid technologies will be drastically different in these market segments.

New versus used – When do fleets consider used versus new vehicles?

American versus foreign – What impact does nameplate have on the purchase decision? Do foreign suppliers need a full line or will fleets purchase the best vehicle in the class?

Sensitivity to vehicle delivery times – Order-to-delivery times fluctuate according to vehicle type and demand. What are the expectations of fleets for the various vehicles they purchase and lease?

Sensitivity to vehicle residual value – What is the perception of residual value between foreign and domestic nameplates and how does it impact the purchase or lease decision?

Method and location of purchase or lease – How does vehicle acquisition break out among dealers, local leasing companies, national leasing companies, and national contracts with OEMs? What drives these decisions?

Methods of vehicle financing – When vehicles are purchased, how are they financed: internally, by the manufacturer, or through a bank loan?

Chassis designs and vehicle add-ons – Many chassis designs and vehicle add-on options are available, such as low cab forward, crew cabs, automatic transmissions, four-wheel drive, power take-offs, and fuel cells. What are the attitudes and opinions of fleet operators toward these options and what is their preference for installation: OEM, dealer, or a third-party supplier?

Preference for researching and finalizing fleet vehicle purchases – This research explores preferences for receiving vehicle purchase information from the Internet, a telephone call, or a sales rep visit.

Attracting small fleet business to vehicle dealerships – Determining the best methods for attracting small fleet business to vehicle dealerships has been a recent focus of vehicle suppliers. This research determines the importance of direct marketing, sales calls, and a web presence in driving dealer traffic.

ADVANCED VEHICLE AND FUEL TECHNOLOGY ISSUES

Advanced vehicles and fuels, particularly hybrid technologies, are a focal point of this survey. While many suppliers are aware of the overall trends taking place in this industry, a primary objective of this research is to forecast the rate at which advanced vehicle and fuel technologies will be adopted.

Two major factors influence the rate of adoption. First, fleets typically go through a process of research, testing, and trial use before routine purchases of new technologies are made. And second, when new technologies are embraced, their rate of adoption is constrained by the turnover rate of vehicles in their fleet. From prior research, we know these factors vary widely by business segment and fleet size. This research forecasts the adoption rates of advanced vehicle technologies by each of our ten business segments.

These new technologies not only impact vehicle purchases, but also the way fleets fuel and maintain their vehicles and the facilities they use. While hybrid vehicles do not require an alternative fuel type, our previous research indicates that many fleets believe that hybrid vehicles are a short-

term solution and that fuel cells will win out in the long term. Additional issues within the scope include:

Conventional fuels trends – Gasoline, diesel by sulfur content, and biodiesel.

Alternative fuels trends – Electricity, ethanol, methanol, natural gas (CNG, LNG), propane, and hydrogen fuel cells.

Hybrid vehicle trends – Electric and hydraulic.

Legislative requirements, grants and tax incentives – What legislative requirements, grants and tax incentives are driving the fleet operator's adoption of advanced vehicle and fuel technologies?

Purchase decision factors – What role does vehicle performance, initial purchase price, fuel economy, emission reductions, maintenance and safety play in the fleet's decision to adopt advanced vehicle and fuel technologies? Is the fleet operator willing to pay extra for new technology?

Implementing new technology – What are the attitudes and opinions of fleet operators regarding retrofitting existing vehicles with new technology versus purchasing new? What is their preferred installation method: OEM manufacturer, dealer, third-party certified installer, or in-house?

FUELING AND PAYMENT METHOD SURVEY

This survey examines the overall attitudes and opinions of commercial fleet operators toward vehicle fueling and payment decisions. The research identifies factors that drive the decision to fuel on-site versus off-site: cost, convenience and control. When the decision is made to fuel off-site, factors driving payment method and fueling location are examined. Detailed demographic information was collected so that the survey findings could be broken out by business and fleet characteristics.

ON-SITE FUELING ISSUES

Many fleet operators that fueled their vehicles on-site prior to the 1998 EPA regulatory deadline closed their facility and switched to off-site fueling. Still, many fleets continue to fuel on-site. The survey determines who fuels on-site, why, and what would make them switch to off-site.

When the decision has been made to fuel on-site, the research examines underground storage tank (UST), above ground storage tank (AST), and mobile fueling practices. Past research studies have found a strong correlation between on-site fueling and on-site maintenance. This linkage is explored, as well as the attitudes and opinions of fleets toward outsourcing fuel and maintenance to a leasing or third-party management company.

Major oil companies, petroleum marketers, bulk fuel suppliers, mobile fueling services, and fleet card providers are interested in the following major issues concerning on-site fueling practices:

Quantify UST, AST, and mobile fueling practices – What on-site fueling methods are used and what are the primary reasons for selecting those methods?

Determine how fleets pay for their fuel and their interest in hedging as a method of controlling fuel cost – Fuel prices are often volatile. How important is it for fleet administrators' to control fuel cost and what is their interest level in hedging?

OFF-SITE FUELING ISSUES

When the decision is made to fuel off-site, the research examines the usage and preference for hypermarket, c-store, truck stop, and cardlock facilities. Brand loyalty is an important topic for this survey. Issues within the scope of this survey include:

Reason for choosing their fueling facility – Do fleets choose their fueling facility first and then select a payment method accepted at that facility, or do they choose a payment method and then find a suitable

facility where that payment method is accepted? Do they pass other fueling facilities on their way to their primary facility? Do they fuel at the same facility, or different facilities but the same brand, or different facilities and different brands? How many miles do they drive to their primary facility?

Methods of payment accepted – Does their primary fueling facility accept fleet cards, checks, or do they offer a paper account?

Merchandise offerings – What merchandise offerings are required: TBA, c-store items, cobrand fast food, restaurant style meals, ATM machines, service bays, car and truck wash?

Facility amenities – What facility amenities are required – dedicated fleet islands, air, water, oversize vehicle access, 24-hour access?

Petroleum equipment – What petroleum equipment is required – card readers, radio frequency identification (RFID), cash acceptors?

PAYMENT METHOD ISSUES

This part of the survey examines payment methods for fuels, maintenance, and parts. Payment method is an important issue because it impacts brand loyalty. Petroleum marketers, maintenance providers, and parts suppliers issue proprietary cards to increase share of wallet. Banks, on the other hand, prefer universal cards because of the increased revenue they generate from financial charges and late fees. In some cases, the payment method is dictated by POS equipment or card readers, particularly in the truck stop and cardlock markets. Many independent merchants attempt to protect their fleet customer base by opening house accounts.

Competition in this market frequently plays out in the form of pricing mechanisms, discounts, rebates, and promotions. This is particularly evident as fleet size decreases and fleets begin to behave more like consumers when making purchase decisions. As fleet size increases, security, control, and billing features increase in importance. This survey identifies the needs of fleet administrators and their preferences for payment methods so that marketers can effectively position their payment programs. Issues within the scope of this survey include:

Payment methods – What payment methods do fleets use for fuel and maintenance: credit cards, on-account, or cash? What is the reason they use their primary method? What ability does the driver have in choosing the method? What has been their fraud and misuse experience?

Credit card issuer – Who issues their card: bank, government, leasing company, oil company, or third-party card provider?

Credit card issued to – Who is the card issued to: corporation, fleet, or personal? Is the card assigned to the vehicle or the driver?

Purchase options and features – What can be purchased with the card: fuel, maintenance, TBA, or non-fuel purchases? What card features are available: security, customer service, product lockouts, emergency road service?

Card usage – Does the fleet use multiple card programs? What is the reason for choosing the primary card?

Pricing, discounts, and loyalty rewards – Is pricing based on cost plus or retail minus? Are discounts provided? Are loyalty reward points accumulated?

Data capture, billing and payment – What reporting options are needed/available such as tax-exempt fuel reporting? Is settlement by check or EFT/ACH an option? Would an incentive influence the settlement method?

FLEET MANAGEMENT SURVEY

Leasing, Maintenance & TBA, and Telematics

This survey examines fleet administrator needs, their overall attitudes and opinions toward leasing, maintenance and TBA, and telematics, current issues they face, and their process for researching and finalizing purchases. Detailed business and fleet demographic data was collected.

The focus of this research is market segmentation analysis. All fleets replace their tires, as an example. All fleets do not purchase retreads, however, and their tire replacement rates vary according to their line of business and travel patterns. This research identifies the demographic criteria associated with particular market behaviors.

LEASING ISSUES

We are frequently asked why more fleets don't lease their vehicles. The more actionable question is: How can I identify fleet segments that I can target with tailored leasing programs? This research characterizes the own versus lease practices of commercial fleets, reasons for choosing financial versus full-service leasing, the demand for outsourcing fleet operations, and the fleet administrator's attitudes and opinions toward bundled versus 'a la carte' programs.

This research builds on our 2000 study results, measuring trends in the fleet administrator's preference for acquiring their vehicles directly from the manufacturer, from a dealer, from a national leasing company, or from a local leasing company. Additional issues within the scope include:

Vehicle lease practices – How many vehicles are leased by size and type of fleet? Are the terms of these lease contracts in miles or years? When a company decides to lease vehicles, why don't they lease all vehicles in their fleet?

Lease program services – Which services are of interest – administrative (titles, licenses, permits, accident, collision, vehicle selection, or end of term disposal), certification, driver programs, fuel, maintenance (tire and glass replacement), insurance, emergency road service, reporting and billing?

Rental of supplemental fleet vehicles – What needs do fleet operators have to rent supplemental vehicles? Is there a seasonal pattern to rental needs?

MAINTENANCE & TBA ISSUES

This topic focuses on the maintenance practices of fleets and their sources of supply for parts, lubricants, and TBA. The research analyzes factors that are considered when making the decision to perform maintenance on-site versus off-site, with emphasis on cost perceptions and how cost is being evaluated. For fleets with on-site maintenance, the survey examines attitudes and opinions about managing these activities versus outsourcing on-site maintenance management to a third-party supplier or using a mobile service.

When the decision is made to go off-site, the fleet operator's preference to have maintenance performed by an independent garage, dealer, or leasing company is researched. Additional issues within the scope include:

Maintenance and TBA purchase patterns – What are the average annual purchases of preventive maintenance, lubes, minor repair, tires (new and retread), batteries, and accessories? What is the maintenance and replacement frequency?

Preventive maintenance benefits – What are the perceived benefits of preventive maintenance in terms of higher service levels and reduced overall maintenance cost?

Preventive maintenance intervals – Are maintenance intervals based on mileage, time in months, OEM recommended schedule, or do they develop their own schedule? How do these intervals vary by vehicle type?

Maintenance and TBA purchase location – Why do fleets choose their particular location for maintenance and TBA purchases: vehicle dealer, national chain, leasing company, or third-party supplier? How satisfied are they with their supplier?

Parts inventory – Do they inventory parts on-site? If so, what products do they inventory?

FLEET ADMINISTRATION ISSUES

Vehicle procurement, fuel, maintenance, logistics, and driver administration issues are the driving force behind outsourcing. New wireless, GPS, and Internet technologies hold the promise of improving fleet management. Ultimately, each company decides how best to manage its fleet. This research identifies what administrators are looking for in their fleet management system and forecasts the adoption of these new technologies. Segmentation analysis breaks product and service needs out across business type and fleet sizes.

The duties and responsibilities of the fleet administrator are key to understanding how commercial fleets operate. This topic characterizes the fleet administrator, who he is, his responsibilities, the information sources he relies on to make vendor selection decisions, his attitudes and opinions toward bundled versus ‘a la carte’ services, and the role the Internet plays in how he manages fleet operations and expense tracking. Additional issues within the scope include:

Fleet administrator responsibilities – What is the title of the person responsible for fleet management? Is this a headquarters or branch position? How much time is spent on fleet activities? Who else is involved in fleet management?

Information sources – What sources of information does the fleet administrator rely on: trade publications, trade shows, industry associations, supplier websites?

Outsourced services – What fleet administration activities are outsourced: maintenance, vehicle procurement, fuel management, drivers, logistics?

Service providers – Who provides fleet administration services: leasing company, fleet management company, vehicle dealer, third-party garage?

Pricing and billing preferences – Do fleet administrators prefer consolidated or ‘a la carte’ pricing? What billing terms do they prefer?

Insurance provider – How is insurance handled: third-party, self-insured, or driver responsibility?

Fuel and maintenance tracking – How do they track fuel and vehicle maintenance: manually, using generic software, or using third-party maintenance tracking software?

Telematics – What are their attitudes and opinions about telematics? Which systems have they researched, shopped, and purchased: driver-to-dispatcher communication, vehicle tracking, trailer tracking? Would they prefer to lease or purchase telematics technologies?

Unmet needs – What new product or service suggestions do they have?

RESEARCH METHODOLOGY

Havill & Company has a proven track record of developing accurate industry forecasts for both syndicated and proprietary research. From our experience, the most reliable information source for predicting future technology trends and purchasing patterns comes from the end-users themselves. For this study, in-depth interviews were conducted with over 1,100 fleet administrators. Respondents were asked detailed questions about their vehicle, maintenance, leasing, and fueling plans.

In preparation for this study, Havill Consultants conducted the necessary background research to achieve the study objectives. Primary information sources include government agencies and reports, as well as fleet industry trade journals. This information was compiled into an issues ballot containing a list of objectives for the study. The issues ballot was sent to industry executives at automobile and truck manufacturers, leasing and insurance providers, auto parts suppliers, major oil companies, and fleet management companies, including software and telematics. Over 40 decision-makers returned the ballot with their feedback. The results of the balloting process yielded the objectives and issues for this study and were used in the design of the questionnaires.

Our research follows a reliable methodology. The questionnaire was pre-tested to ensure that respondents understood the questions and that the interview flowed smoothly. The respondent list was obtained from a database of over eight million fleet operators. The sample was stratified to the population geographically, by size of fleet, and according to the following business segments:

Agriculture	Retail
Construction	Service
Government	Short Haul Carriers
Long Haul Carriers	Utility
Manufacturing	Wholesale

Actual interviews were completed through CRT terminals using the *Survey System*[®], a full-featured market research software program. Market survey data from each questionnaire was computer tabulated and projected to the fleet population. Statistical procedures were applied to establish the significance of the research findings.

Secondary sources used for this research included the aforementioned U.S. Department of Commerce, *2002 Vehicle Inventory and Use Survey* (VIUS), December 2004; Bobit Publishing, *Automotive Fleet Fact Book*,

2002; The Federal Vehicle Policy Division, *2002 Federal Fleet Report*; and The U.S. Department of Transportation, *Highway Statistics Annual 2002*. Additional industry publications, associations, and executives are cited throughout the report.

Havill & Company personally managed all aspects of the project. Each of the professionals assigned to this project has extensive fleet marketing research experience. They shared responsibility for the total project, including secondary research, questionnaire design, executive interviewing, analysis, and writing of the final report. All study findings have been fully documented in this report. Where appropriate, graphs have been used to visually support the analysis.

This report is based upon information from sources believed to be reliable. However, neither *Havill & Company, Inc.*, nor individuals credited with authorship or support can guarantee its accuracy or completeness, or stand liable for possible errors of fact or judgment.

REPORT SYMBOLS

The following symbols are used in this publication:

- n/a Not applicable.
- The question choice was not selected by any respondents or in the profiles, the service or option is not provided.
- s Withheld because estimate did not meet publication standards.

APPENDIX – TABLE OF CONTENTS

APPENDIX A QUESTIONNAIRE	A-1
PRIMARY QUESTIONNAIRE	A-1
SECONDARY QUESTIONNAIRE	A-25
APPENDIX B GLOSSARY OF TERMS	B-1
INTRODUCTION.....	B-1
APPENDIX C SAMPLING STRATIFICATION	C-1
INTRODUCTION.....	C-1
<i>Methodology</i>	C-2
Regional Stratification.....	C-3
APPENDIX D BUSINESS FLEETS SURVEYED	D-1
INTRODUCTION.....	D-1
<i>Fleet Business Segment Sampled</i>	D-2
<i>Agriculture Fleets Sampled</i>	D-4
<i>Construction Fleets Sampled</i>	D-5
<i>Government Fleets Sampled</i>	D-6
<i>Long Haul Fleets Sampled</i>	D-7
<i>Manufacturing Fleets Sampled</i>	D-8
<i>Retail Fleets Sampled</i>	D-9
<i>Service Fleets Sampled</i>	D-10
<i>Short Haul Fleets Sampled</i>	D-11
<i>Utility Fleets Sampled</i>	D-12
<i>Wholesale Fleets Sampled</i>	D-13
APPENDIX E AUTOMOBILE MANUFACTURERS	E-1
PROFILE CONTENTS.....	E-1
<i>DaimlerChrysler</i>	E-2
<i>Ford Motor Company</i>	E-4
<i>General Motors</i>	E-6
<i>Honda Motor Company</i>	E-8
<i>Hyundai Motor America</i>	E-9
<i>Mercedes-Benz</i>	E-11
<i>Mitsubishi Motors Corporation</i>	E-13
<i>Nissan Motor Company</i>	E-14
<i>Subaru Of America</i>	E-15
<i>Toyota Motor Corporation</i>	E-16
<i>Volvo Cars of North America</i>	E-17

APPENDIX F TRUCK MANUFACTURERS F-1

PROFILE CONTENTS F-1

- Ford Commercial Trucks* F-2
- Freightliner Trucks* F-3
- GM Fleet and Commercial Operations* F-4
- Kenworth Trucks* F-5
- Mack Trucks* F-6
- Programs* F-6
- International Truck and engine* F-7
- Peterbilt Motors Company* F-8
- Sterling Truck Corporation* F-10
- Volvo Trucks North America, Inc.* F-12
- Western Star Trucks* F-13

APPENDIX G LEASING COMPANY PROFILES G-1

PROFILE CONTENTS G-1

- Ari Fleet Management Services* G-2
- Donlen Corporation* G-4
- Emkay, Inc.* G-5
- Enterprise Fleet Services* G-6
- Ford Credit/Ford Quality Fleet Care* G-8
- GE Capital Fleet Services* G-10
- GM Fleet and Commercial* G-11
- Idealease* G-13
- LeasePlan* G-15
- Merchants Leasing* G-17
- NationaLease* G-18
- PACCAR Leasing Company* G-19
- Penske Truck Leasing* G-20
- PHH Vehicle Management Services* G-22
- Ryder Truck Leasing* G-23
- Wheels* G-24

APPENDIX H MOBILE FUELING H-1

PROFILE CONTENTS H-1

- Associated Petroleum Products, Inc.* H-2
- Boncosky Oil Company* H-4
- Bretthauer Oil Company* H-6
- Eljay Oil Company* H-8
- Farmers Union Oil Company of North Dakota* H-9
- Farmers Union Oil Company of Minnesota* H-10
- PetroCard* H-11
- Quick Fuel Fleet Services* H-12
- SC Fuels* H-14
- Streicher Mobile Refueling* H-16
- Superior Oil Company of New Jersey* H-18
- Taylor Oil Company* H-19
- Walker Oil Service* H-21

APPENDIX I TRUCK STOPS/TRAVEL PLAZAS	I-1
PROFILE CONTENTS.....	I-1
<i>All American Plaza</i>	I-2
<i>AMBEST</i>	I-3
<i>Flying J</i>	I-4
<i>Love's Travel Stops and Country Stores</i>	I-6
<i>Petro Stopping Centers</i>	I-7
<i>Pilot Travel Centers</i>	I-9
<i>Speedway Fuel Centers and Truck Stops</i>	I-10
<i>Travel Centers of America</i>	I-11
APPENDIX J COMMERCIAL CARD PROFILES.....	J-1
PROFILE CONTENTS.....	J-1
MAJOR OIL COMPANIES.....	J-2
<i>BP</i>	J-2
<i>Chevron/Texaco Corporation</i>	J-4
<i>Citgo Petroleum Corporation</i>	J-7
<i>ConocoPhillips</i>	J-10
<i>Gulf Oil Limited Partnership</i>	J-12
<i>Marathon Ashland Petroleum, LLC</i>	J-15
<i>Shell Oil Corporation</i>	J-18
<i>Sinclair Oil Corporation</i>	J-20
<i>Sunoco, Inc.</i>	J-22
<i>Valero</i>	J-24
FUELING COMPANIES.....	J-26
<i>Crown Central Petroleum Corp.</i>	J-26
<i>Fina Fleet Fueling</i>	J-28
<i>Getty Petroleum Marketing, Inc.</i>	J-30
<i>Phoenix Fuel Company</i>	J-32
<i>Quik Trip Corporation</i>	J-34
<i>Sheetz, Inc.</i>	J-36
THIRD-PARTY CARD PROVIDERS.....	J-38
<i>Comdata</i>	J-38
<i>Commercial Fueling Network</i>	J-41
<i>Fleet One, LLC</i>	J-43
<i>Fleet Card Fuels</i>	J-45
<i>Fuelman/Gascard</i>	J-47
<i>GE Fleet Services</i>	J-49
<i>JPMorgan Chase</i>	J-52
<i>Mastercard International, Inc.</i>	J-54
<i>Pacific Pride Services, Inc.</i>	J-56
<i>PHH Corporation</i>	J-58
<i>Transportation Clearing House</i>	J-60
<i>U.S. Bank Voyager Fleet Systems, Inc.</i>	J-63
<i>Visa</i>	J-65
<i>Wright Express</i>	J-67
LEASING COMPANIES.....	J-69
<i>Donlen</i>	J-69
<i>Enterprise Rent-A-Car</i>	J-71
<i>Kenworth Trucking Company</i>	J-73

APPENDIX K PREVENTIVE MAINTENANCE..... K-1

PROFILE CONTENTS	K-1
NATIONAL CHAINS	K-2
<i>Fleetcare by Fleetpride</i>	K-2
<i>Jiffy Lube International, Inc.</i>	K-3
<i>MasterCare</i>	K-4
<i>Meineke Car Care Center, Inc.</i>	K-5
<i>Midas International Corporation</i>	K-6
<i>Monro/Speedy</i>	K-7
<i>Procare Automotive</i>	K-8
<i>Sears Auto Center</i>	K-9
<i>Tuffy Auto Service</i>	K-10
<i>Wal-Mart Tire and Express Lube Express</i>	K-11
<i>Vavoline Instant Oil Change</i>	K-12
<i>Texaco Xpress Lube</i>	K-13
TRUCK STOPS AND PLAZAS	K-14
<i>All American Plazas, inc.</i>	K-14
<i>AMBEST</i>	K-15
<i>Flying J, Inc.</i>	K-16
<i>Petro Shopping Centers</i>	K-17

APPENDIX L TIRE MANUFACTURERS..... L-1

PROFILE CONTENTS	L-1
<i>BridgeStone-Firestone North American Tire</i>	L-2
<i>Continental Tire North America</i>	L-3
<i>The Cooper Tire & Rubber Company</i>	L-4
<i>The Goodyear Tire & Rubber Company</i>	L-5
<i>Hankook Tire America Corporation</i>	L-6
<i>Michelin North America Inc.</i>	L-7
<i>Nokian Tyres</i>	L-8
<i>Sumitomo Corporation of America Tire Division</i>	L-9
<i>Toyo Tires Corporation</i>	L-10
<i>Yokohama Tire Corporation</i>	L-11

APPENDIX M TELEMATICS M-1

PROFILE CONTENTS	M-1
<i>Aircept</i>	M-2
<i>AirIQ</i>	M-5
<i>Discrete Wireless, Inc.</i>	M-8
<i>FleetBoss Global Positioning Solutions, Inc.</i>	M-10
<i>Fleetilla, Inc.</i>	M-12
<i>Geologic Solutions</i>	M-14
<i>GPS One Star</i>	M-17
<i>PeopleNet Communications Corp.</i>	M-19
<i>QUALCOMM Wireless Business Solutions</i>	M-21
<i>Remote Dynamics, Inc.</i>	M-24
<i>SkyBitz</i>	M-26
<i>Teletrac, Inc.</i>	M-29
<i>Terion, Inc.</i>	M-32
<i>Vetronix Corporation</i>	M-34
<i>Xata Corporation</i>	M-36

QUESTIONNAIRE

APPENDIX A

PRIMARY QUESTIONNAIRE

THE U.S. COMMERCIAL FLEET MARKET FORECAST ISSUES AND SURVEY QUESTIONS

Business Name:			Consultant:
Contact:			Date:
Title:			Start Time:
Email			End Time:
Address:			Total Time:
City:	State:	Zip:	Telephone:
Business: <input type="checkbox"/> Ag <input type="checkbox"/> Cnst <input type="checkbox"/> Mfg <input type="checkbox"/> Whl <input type="checkbox"/> Rtl <input type="checkbox"/> Utl <input type="checkbox"/> Srvc <input type="checkbox"/> Gov <input type="checkbox"/> Lhl <input type="checkbox"/> Shl			
Region: <input type="checkbox"/> NE <input type="checkbox"/> SE <input type="checkbox"/> MW <input type="checkbox"/> SW <input type="checkbox"/> W			
Fleet Size <input type="checkbox"/> 4-9 <input type="checkbox"/> 10-99 <input type="checkbox"/> 100+			

I would like to speak with the person most responsible for the acquisition, administration, and maintenance of your company operated vehicles. Hello, my name is _____ from Havill & Company. We are an independent consulting firm located in Toledo, Ohio and are conducting a study of the commercial fleet market. We are asking a few questions regarding your company-operated vehicles. We are not selling anything and as a way of thanking you, we would like to send you a report on best fleet practices based on this study. Could I take a moment to ask you a few questions?

If they ask who the study is for, tell them: The study is sponsored by a group of leading vehicle manufacturers, leasing companies, and major oil companies who asked us to find out what fleet operators like you are looking for in the next generation of products.

1. Excluding trailers, how many vehicles do you operate (including company sedans, pickups, vans, and SUVs)? **If less than 4 vehicles, thank the respondent and terminate.**

_____ Number of vehicles

2. What is the nature of your business? **Confirm segment:** So, I should designate you as (*read appropriate business segment*)? **Select one.**

- Agriculture
- Construction
- Manufacturing
- Wholesale
- Retail
- Short haul for hire carrier
- Long haul for hire carrier
- Utility
- Service
- Government

3. For classification purposes, how many employees are at your location? **Select one.**

- <5
- 5 to 10
- 11 to 20
- 21 to 50
- 51 to 100
- 101 to 200
- 201 to 500
- >500

4. What are your annual sales? **Select one.**

- <\$1MM
- \$1MM to <\$10MM
- \$10MM to <\$50MM
- \$50MM to <\$100MM
- \$100MM to <\$250MM
- \$250MM to <\$500MM
- \$500MM to <\$1000MM
- >\$1 Billion

5. Do the majority of your fleet vehicles return to a home base (the same location) each night?

- Yes
- No

6. Does your fleet travel locally (within a state or adjoining state), regionally (within a multiple state area, but not nationally), or nationally (interstate)? **If not local skip to Q8. Select one.**

- Locally
- Regionally
- Nationally

7. **If locally**, ask: Is travel primarily in rural, suburban, or urban areas?

- Rural
- Suburban
- Urban

8. How many of your fleet vehicles are sedans, light duty trucks, medium duty trucks, tractor semis (excluding trailers), other heavy duty trucks excluding tractor semis, buses, other?

KEY TO CLASSIFYING LD, MD, AND HD SINGLE BODY TRUCKS

LD = Classes 1 and 2
(10,000 lbs. GVW or below)

MD = Classes 3, 4, and 5
(10,001 to 19,500 lbs. GVW)

HD = Classes 6, and 7
(19,501 lbs. GVW and more)

9. How many vehicles are owned versus leased for (read vehicle type/next)?

10. How many vehicles are gas versus diesel for (read vehicle type/next)?

11. What is your annual average miles driven for (read vehicle type/next)?

12. Do you operate DOT registered vehicles?

- Yes
- No, **Skip to Q14**

If yes, what is your DOT number?

_____ DOT Number

38 – THE U.S. COMMERCIAL FLEET MARKET STUDY

- 13. What is your DOT reportable accidents per million miles for your (*medium/heavy/tractors/buses*)?
- 14. What is your average direct cost of accidents per million miles for your (*medium/heavy/tractors/buses*)?

Vehicle Type	Total Vehicles	Ownership		Fuel Consumption			Reported Accidents	Avg Direct Cost
		Owned	Leased	Gas	Diesel	Annual Mileage		
Sedans								
LD								
MD								
HD								
Tractor-Semis								
Buses								
Other								
Total Vehicles		Vehicles			Vehicles	Vehicles	Vehicles	Vehicles

- 15. **If they have HD trucks, ask:** How many of your HD vehicles require operators to hold a CDL? (**Note: How many HD vehicles have a GVW more than 26,000 lbs. and are considered class 7 or class 8 vehicles?**)

_____ Number of HD vehicles require CDL

- 16. **If they have diesel trucks, ask:** Would you be willing to pay a reasonable premium for a diesel fuel product that lowered emissions and kept engines running cleaner?

- Yes
- No

- 17. By 2008, will your overall fleet size increase, decrease, or remain the same?

- Increase
- Decrease
- Remain the same, **skip to Q21**

- 18. **If increasing, ask:** Why will your fleet size increase?

- Business growth
- Other _____ **Probe**

- 19. **If decreasing, ask:** Why will your fleet size decrease?

- Business decline
- Increase cost of operations
- Decision to outsource
- Other _____ **Probe**

- 20. How many vehicles do you expect to have in operation by 2008?

_____ Total vehicles in operation in 2008
 Don't know

21. By 2008, will your mix of owned and leased vehicles change?

- Yes
 No, **skip to Q22**

If change, ask: What percent of your vehicles in 2008 will be owned versus leased?

_____ % Owned
 _____ % Leased

VEHICLE PROCUREMENT

Next, I would like to ask you questions about procurement of your vehicles.

22. **If have LD/MD:** What percent of your LD or MD trucks are currently the low cab forward design?

_____ % low cab forward design

23. Do you expect that percent to change by 2008?

- Yes
 No

If yes: What percent of your 2008 LD/MD trucks will be the low cab forward design?

_____ % low cab forward design

24. **If have MD/HD/Tractors:** Excluding pickup trucks, what percent of your MD/HD/Tractor-Semis currently use automatic transmissions?

_____ % automatic transmission

25. Do you expect that percent to change in the next four years?

- Yes
 No, **skip to Q26**

If yes: Excluding pickup trucks, what percent of your other MD/HD/Tractor-Semis will use automatic transmissions in 2008?

_____ % automatic transmission in 2008, **if 0%, skip to Q28**

26. MD/HD/Tractor-Semis with Automatic Mechanical Transmissions get better gas mileage than vehicles with torque converters. Using a 10-point scale where 10 is most important, how important is it that these new trucks have Automatic Mechanical Transmissions.

_____ Importance of Automatic Mechanical Transmission

27. Currently, what percent of your MD/HD/Tractor-Semis with automatic transmissions have Automatic Mechanical Transmissions?

_____ % automatic transmission

LEASING METHODS

If leasing continue, otherwise skip to Q33

28. Is your typical lease contract based on years or miles?

- Years
 Miles

If based on miles: How many miles is your typical lease contract for (*read vehicle type/next*)?

If based on years: How many years is your typical lease contract for (*read vehicle type/next*)?

Vehicle Type	Miles	Years
Sedans		
LD Trucks		
MD Trucks		
HD Trucks		
Tractor-Semis		
Buses		
Other		

29. Do you use a financial only and/or full-service lease?

- Financial only
 Full-service

If financial lease: Is your financial lease an open-end lease and/or closed-end lease? **Select all that apply.**

- Open-end lease
 Closed-end lease

If both open-end and closed-end: What percent of your leased vehicles are closed-ended?

_____ % closed-end leases

If financial lease: Why don't you use a full service lease?

- Cost
 Have a fleet department
 No need
 Management decision
 Not offered
 Poor service
 Don't know
 Other _____ **Probe**

If full service lease, continue. Else, skip to Q31

30. **If full-service lease:** Using a 10-point scale where 10 is most important, how important is it that your primary leasing vendor provide the following services? Is that service available to you?

Rating	Available	
Administrative Programs		
		Vehicle title, license check, registration, and permit
		Accident/collision management
		Assistance in vehicle selection process
		Assumes residual value risk at end of lease term
		Disposes of vehicles at end of contract term
Certification Programs		
		Assists in evaluating, hiring, and training drivers
		Conducts driver safety programs
		Provides DOT or other driver certification
Fueling Programs		
		Full-service fueling at leasing facility network
		Provides universal fuel credit card program
		Prepares fuel tax reporting
Billing Programs		
		Centralized billing
		On-line billing
Maintenance Programs		
		Preventive maintenance (oil change, filters)
		Corrective maintenance repairs (engine and brake)
		Emergency road service
		Loaners during emergencies or repair downtime
		Tire replacement service
		Glass replacement service
Reporting		
		Accumulated vehicle depreciation
		Book value after payment
		Repair and maintenance cost reporting
		Service provider reporting
		Vehicle service history reporting
Miscellaneous		
		Obtains insurance coverage
		Paint or decal vehicles to fleet specifications
		Provides rentals during peak periods

31. On a scale of 1 to 10, with 10 being extremely satisfied, how satisfied are you with the service provided by your primary leasing company?

_____ Satisfaction rating

If rated less than a seven (7), ask: Why did you rate your satisfaction with your current supplier a (*read rating*)?

32. Using the same 10-point scale, how likely would you be to use your current primary leasing supplier when the time comes to renew or extend your contract and/or add vehicles to your fleet?

42 – THE U.S. COMMERCIAL FLEET MARKET STUDY

_____ Likely rating

33. Do you ever rent additional vehicles during the year to supplement your fleet?

- Yes
 No

If yes: How many vehicles were rented in 2003?

_____ Number of vehicles rented

MAINTENANCE & TBA ISSUES

Next, I would now like to ask you a few questions regarding your fleet maintenance activities and your procurement of after market vehicle parts.

34. **If lease:** Does your primary leasing company provide services that assist you in developing strategies to reduce your cost of maintenance?

- Yes
 No

35. Is your preventive maintenance performed on your property or at an off-site location?

- On-site
 Off-site
 Both On-site and Off-site

If both on-site and off-site, ask: What percent of you your preventive maintenance is performed on-site versus off-site?

_____ % On-site
_____ % Off-site

If on-site: Do you operate your on-site maintenance facility yourself or do you outsource the operation to a third-party? **Select one.**

- Company Operated
 Outsourced

If self-operated: Would you be interested in outsourcing the management and operation of your maintenance facility to a third-party?

- Yes
 No

If on-site: Do you use a mobile maintenance service to perform preventive maintenance on-site on your fleet vehicles?

- Yes
 No

If off-site: Which type of service center do you primarily use for your preventive maintenance? Do you use an OEM vehicle dealership, leasing company, independent third-party garage, national chain (including quick lubes), oil company station with service bays, or truck stop/travel plaza with service bays? **Select one.**

- OEM vehicles dealership
- Leasing company
- Independent third-party garage
- National chain
- Oil company station with service bays
- Truck stop/travel plaza with service bays

36. By 2008, do you expect your mix between on-site and off-site maintenance to shift?

- Yes
- No

If yes: What percent of your preventive maintenance will be on-site versus off-site in 2008?

_____ % on-site
 _____ % off-site

37. **If outsource or offsite, ask:** On a scale of 1 to 10, with 10 being extremely satisfied, how satisfied are you with your current preventive maintenance provider?

_____ Satisfaction rating

If rated less than a seven (7): Why did you rate your satisfaction with your current supplier a (read rating)?

- High cost
- Slow service
- Nothing
- Poor quality
- Lack of trust
- Poor customer service
- Poor reporting
- Inexperienced staff
- Other _____ **Probe**

38. About how many times per year do you have preventive maintenance performed on your (read vehicle type/next)?

39. On average, how much does it cost (per vehicle) each time you perform preventive maintenance on your (read vehicle type/next)?

Vehicle Type	# Maint/Year	Cost/Service
Sedans		
LD Trucks		
MD Trucks		
HD Trucks		
Tractor-Semis		
Buses		
Other		

44 – THE U.S. COMMERCIAL FLEET MARKET STUDY

40. **If using on-site as a method of preventive maintenance and not outsourcing maintenance:** Do you keep inventories of vehicle replacement parts?

- Yes
- No

If yes: What do you typically spend per year to stock your inventory? What is the value of your current inventory on-hand?

_____ Annual inventory expenditures
_____ Current value of inventory

41. When buying tires for your fleet vehicles, do you purchase new tires, retread tires or both types? **Select one.**

- New tires
- Retread
- Both new and retread

If using both new and retread: What percent of your tire replacement purchases are new versus retread?

_____ % New
_____ % Retread

ON-SITE FUELING

42. Do you fuel any of your fleet vehicles on-site (using either tanks or a mobile fueling service) and/or do you fuel any of your fleet vehicles off-site?

- On-site
- Off-site
- Both On-site and Off-site

If using both on-site and off-site, ask: What percent of your fueling is on-site versus off-site?

_____ % On-site
_____ % Off-site

If any on-site, ask: Which method of fueling do you primarily use when fueling on-site? Do you use USTs, ASTs, or a mobile fueling service? **Select one.**

- USTs
- ASTs
- Mobile refueling

If off-site, ask: Which type of facility do you primarily use when fueling off-site? Do you use retail stations, truck stops, or cardlocks (either unattended or at retail stations)? **Select one.**

- Retail stations
- Truck stops
- Cardlocks

43. **If any on-site refueling ask:** When your vehicles fuel on-site, what percentage of your (read vehicle type/next) fuel with stationary tanks versus mobile fueling?

44. **If any off-site refueling ask:** When your vehicles fuel off-site, what percentage of your (*read vehicle type/next*) fuel at retail/truck stop/cardlock facilities?

Vehicle	On-site Method		Off-site Methods			Total
	Stationary Tanks	Mobile	Retail	Truck Stop	Cardlock	
Sedans						100%
LD Trucks						100%
MD Trucks						100%
HD Trucks						100%
Tractor-Semis						100%
Buses						100%

45. Do you expect your mix of on-site and off-site fueling will change by 2008?

- Yes
- No

If yes: How do you expect your fuel consumption to breakout between on-site and off-site by 2008?

_____ % On-site
 _____ % Off-site, **if 100%, skip to Q50**

46. **If on-site, ask:** Do you expect your mix of on-site fueling methods will change by 2008?

- Yes
- No

If yes: How will your on-site fueling breakout between stationary tanks versus mobile fueling in 2008?

_____ % Stationary tanks
 _____ % Mobile refueling

47. **If on-site, ask:** There are fuel purchasing techniques, such as hedging, that reduce the risk associated with fuel price spikes. Using a 10-point scale where 10 is most important, how important is it for you to know what price you will pay for fuel in the future?

_____ Importance of knowing price for future fuel

48. **If on-site, ask:** Do you use hedging or other risk management techniques?

- Yes
- No

49. **If on-site, ask:** Does your on-site fueling system provide reporting that reconciles your bulk fuel purchases with the fuel dispensed to your vehicles?

- Yes
- No

If no: Would you like to reconcile bulk purchases with fuel dispensed to your vehicles?

- Yes
- No

OFF-SITE FUELING

If no Offsite, skip to Q68.

50. When you fuel your vehicles off-site at (*read first facility type/next*), do you usually go to the same location, different location but the same brand, or different locations and different brands?

<u>Retail</u>	<u>CardLock</u>	<u>Truck Stop</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The same facility
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Different facilities, but same brands
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Different facilities, different brands
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Don't know

51. How many miles away from home-base or off route do you drive to get to your fueling facility?

_____ Miles to retail station
 _____ Miles to truck stop
 _____ Miles to cardlock

PAYMENT METHODS

My next set of questions deal with your payment methods for off-site fuel and maintenance purchases only.

52. **If fueling off-site, ask:** How do your methods of payment for fuel break out among credit cards, cash, pre-paid cards, vouchers, driver reimbursement, and on-account?

_____ % Credit Cards (including bank, fleet, oil, ATM, Govt., etc.)
 _____ % Cash
 _____ % Vouchers
 _____ % On-account
 _____ % Pre-paid fuel card
 _____ % Driver reimbursement
 _____ % Other _____

53. Do you expect your mix of off-site payment methods to change by 2008?

Yes
 No

If yes: How will your mix of payment methods breakout by 2008?

_____ % Credit Cards (including bank, fleet, oil, ATM, Govt., etc.)
 _____ % Cash
 _____ % Vouchers
 _____ % On-account
 _____ % Pre-paid fuel card
 _____ % Driver reimbursement
 _____ % Other _____

54. Do your drivers have RFID transmitters that they use to initiate the fueling process?

- Yes
- No

If no: Would you like them to have RFID transmitters?

- Yes
- No
- Don't know
- Refused

55. Have you had any experience with fraud or misuse relating to company fuel purchases?

- Yes
- No, **Skip to Q56**

If yes: Did the misuse occur with a credit card, cash, prepaid cards, vouchers, RFID, driver reimbursement, or a station account? **Select all that apply.**

- Credit card
- Cash
- Prepaid card
- Voucher
- RFID
- Driver reimbursement
- Station account

If currently using a credit card, skip to Q57.

56. Do you plan to use a card program by 2008?

- Yes
- No

If yes: What is the single most important benefit you expect from using a card program? **Select one.**

- Discounts
- Reduced paperwork
- Use at any station
- None
- Purchase control
- Other _____ **Probe**

If no: What do you think are the drawbacks of a card program? **Select all that apply and skip to Q70.**

- Loss of control
- Program management
- Card/program fees
- Card handling-lose, damage, etc.
- No need for card
- Can't use at all locations
- Don't know
- Other _____ **Probe**

48 – THE U.S. COMMERCIAL FLEET MARKET STUDY

If no current credit card use (0% in Q52) skip to Q68.

57. What is the name on your primary card used for fueling? Is the card issuer a bank, government, leasing company, oil company, or third-party? Is the card affiliated with a major network such as MasterCard, Visa, or American Express? Is it a personal card or a business card? If a business card, does it provide fleet reporting? Is it a credit or debit card? Is the card accepted at any gas station, only at one brand of locations, or only at one station?

<u>Card Name</u>	<u>Type of Card</u>			<u>Issuing of Card</u>						<u>Capabilities</u>				
	<u>Oil Co.</u>	<u>3rd Pty</u>	<u>Lease Co.</u>	<u>Bank</u>	<u>Othr.</u>	<u>Ntwk</u>	<u>Pers</u>	<u>Corp</u>	<u>Fleet</u>	<u>Cdt</u>	<u>Deb</u>	<u>U</u>	<u>Bnd</u>	<u>Loc</u>
_____	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]

If not universal, ask: Would you prefer a card that was more universally accepted than your primary card?

- [] Yes
- [] No

58. What is the single most important reason you use your primary card program that other card programs don't offer? **Select one.**

- [] Reporting
- [] Location
- [] Discounts
- [] Loyalty rewards such as 'airline miles' and 'cash back'
- [] Cost
- [] Convenience
- [] Control
- [] First to solicit me
- [] Company policy
- [] Always used
- [] Other _____ **Probe**

59. Is your primary card program used for fuel only, both fuel and maintenance, or all fleet purchases including business expenses?

- [] Fuel only
- [] Both fuel and maintenance
- [] All fleet purchases including business expenses

If all fleet purchases, ask: What types of merchandise and services do you allow to be purchased with your card (*read first feature/next*)? **Select all that apply.**

- [] C-store merchandise
- [] Food
- [] Car wash
- [] Maintenance
- [] Major repair
- [] TBA merchandise
- [] Travel & entertainment
- [] Emergency cash
- [] Auto rental
- [] Office supplies

If not used for all fleet purchases, ask: If a universal fleet card was available that provided controls at the card level that enabled certain cards to be used for all purchases including business expenses and that card offered discounts based on total purchases, would you be very likely, somewhat likely, neither likely nor unlikely, somewhat unlikely or very unlikely to switch to that card? **Select one.**

- Very likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Very unlikely

60. Would you consider purchasing specific safety items such as roadside assistance and passive backup warning systems through your fleet card provider?

- Yes
- No

61. Is your off-site fuel purchase price based on standard retail pricing or do you receive special pricing?

- Standard retail pricing
- Special pricing

If standard: If offered special pricing, which type of arrangement would you prefer, cost-plus, retail-minus, or a fixed cost (hedged pricing)? **Select one.**

- Cost-plus
- Retail-minus
- Fixed cost (hedging)

If special pricing, continue. Else skip to Q62

What is pricing based on, cost-plus, retail-minus, or a fixed cost (hedged pricing)? **Select one.**

- Cost-plus
- Retail-minus
- Fixed cost (hedging)

If special: Do you receive a discount according to your purchases during a billing period?

- Yes
- No, **Skip to Q62**

If yes: Is the discount a fixed percentage or does it vary based on purchase amount?

- Fixed percent
- Varies based on purchases

62. Does your fleet qualify for tax exemption on fuel purchases?

- Yes
- No

If yes: Does your current fuel supplier provide you with tax credit at point of purchase, tax credit report – submitted on your behalf by your supplier, tax credit report provided to you by your supplier and you submit, or no tax information provided at all? **Select one.**

- Supplier submits tax credit
- Tax report provided and I submit
- No tax information provided

63. If your card supplier provided you with an online account where you could access your fleet card usage reports and pay your bill using ebanking, would you use it?

- Yes
- No

50 – THE U.S. COMMERCIAL FLEET MARKET STUDY

64. Bills can be paid by (read first settlement method/next), which payment method would you prefer? **Select one.**

- Internet ebanking
- Check
- Electronic fund transfer (EFT)
- Prepay
- Vouchers
- Cash

If EFT is not mentioned, ask: If your supplier were to offer an incentive for using EFT would you be would you be very likely, somewhat likely, neither likely nor unlikely, somewhat unlikely or very unlikely to use it? **Select one.**

- Very likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Very unlikely

If EFT is mentioned, ask: Do you use EFT?

- Yes
- No

If yes: Do you receive an incentive to use EFT?

- Yes
- No

65. On a scale of 1 to 10, with 10 being extremely satisfied, how satisfied are you with your primary card program?

_____ Satisfaction rating

If less than 9, ask: What could your card provider do to make you more satisfied with their card?

- Discounts
- Revolving credit
- Nothing
- More locations
- Better reporting
- Lower card fees
- Better service
- Other _____ **Probe**

66. Information about card programs is available from (read list). How was your primary card program introduced to you? **Select all that apply.**

- POS (Point of Sale brochure)
- Mail
- Sales call
- Personal/company research
- Don't know/don't handle

If sales call, ask: Did a sales rep visit or was all of the information provided over the phone?

- Yes
- No

If research, ask: Did you use the Internet to research your card program?

- Yes
- No

67. If you were considering a new fleet card program, using a 10 point scale where 10 is most important, how important would sales visits to your office be in your decision to sign up for a new fleet card program?

_____ Importance rating

FLEET ADMINISTRATION ISSUES

Next, I would now like to ask you a few questions regarding how you administer your fleet vehicles.

68. How are decisions made; by you alone, in consultation with superiors, or by committee? **Select one.**

- Alone, **skip to Q71**
- Consultation with supervisors, **skip to Q71**
- Committee

69. **If by committee, ask:** About how many years ago did your company begin making fleet procurement decisions by committee?

_____ Years

70. **If by committee, ask:** What was the driving factor for your company's move to make fleet related decisions by committee? **Probe for single factor.**

- Cost
- Eliminated fleet department
- Small company makes group decisions
- Always had committee
- Facilitates more effective decision making
- Bid process requires committee decisions
- Management mandated company policy
- Provides management stronger control
- Company growth
- Don't know
- Other _____ **Probe**

71. Does your company have fleet operations outside of the United States?

- Yes
- No, **skip to Q72**

If yes, ask: Are any fleet activities managed on a global basis?

- Yes
- No

If yes, ask: Which activities?

- Procurement
- Logistics
- Maintenance
- Don't know
- Other _____ **Probe**

Which department is responsible for managing your global fleet? **Select one.**

- Fleet department
- General management (Non-departmentalized)
- Transportation/shipping department
- Vehicle maintenance department
- Operations department
- Purchasing/procurement department
- Risk management department
- Marketing department

What is the title of that department head?

Department head title _____

If no, ask: Do you expect to begin global fleet management between now and 2008?

- Yes
- No

If yes, ask: Which activities?

- Procurement
- Logistics
- Maintenance
- Other _____ **Probe**

72. Does your company have a safety policy in place?

- Yes
- No

If no: Why not?

- Cost
- No need
- All drivers trusted
- Other _____ **Probe**

If yes: Does your safety policy include (*read list*)? **Select all that apply.**

- Motor Vehicle Record (MVR) program
- Accident Program
- Training Program

73. Collision warning and adaptive cruise control are safety technologies that reduce accidents. Thinking about a typical vehicle, how much would you save if you were able to reduce your accident rate by 50 percent? **Probe for sources of savings.**

\$ _____ Estimated savings per vehicle

If yes: Where would that savings come from?

- Lower insurance cost
- Lower direct cost
- Lower indirect cost
- Reduce vehicle downtime
- Reduce maintenance costs
- No benefit
- Don't know
- Other _____ **Probe**

74. **If MD/HD:** If it cost about \$2,500 to equip your medium and heavy duty truck with this technology, would you be very likely, somewhat like, neither likely nor unlikely, somewhat unlikely or very unlikely to order your new vehicles with these onboard radar technologies? **Select one.**

- Very likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Very unlikely

If no current credit card use skip to Q77.

75. Do you purchase insurance for your fleet vehicles, is your company self-insured, or is it the driver's responsibility to provide insurance? **Select one.**

- Purchase insurance
- Company is self-insured
- Driver's responsibility

76. On a scale of 1 to 10 where 10 is very likely, how likely would you be to consider purchasing fleet insurance and/or accident management programs from you fleet card provider?

_____ Likely rating

77. By 2008, do you expect your average per-vehicle vehicle insurance rates to increase, decrease, or remain the same?

- Increase
- Decrease
- Stay the same

If increase: What will be the primary factor leading to this increase? **Select one.**

- Inflation
- Newer vehicles
- Nature of business
- Insurance companies looking to increase revenues
- Premiums cover others' accidents
- Increase in fleet size
- Other _____

54 – THE U.S. COMMERCIAL FLEET MARKET STUDY

If decrease: What will be the primary factor leading to this decrease? **Select one.**

- Safety programs
- Higher deductibles
- Older vehicles
- Anticipate better drivers' records
- Competition among insurance companies will lead to lower rates
- Emergence of co-op buying group
- Other _____ **Probe**

78. I would like to read you a list of services and have you tell me if you outsource management of that service, the first service is (*read list/next*)? **If one or no service is outsourced skip to Q80.**

Outsource

- Vehicle procurement
- Vehicle financing
- Vehicle remarketing
- Motor vehicle registration record procurement
- License renewal
- Drivers
- Driver safety training
- Logistics
- Fuel management
- Maintenance
- Roadside assistance
- Accident services
- Management reporting

79. **If outsourcing more than one service, ask:** Are any of your vendors providing more than one service?

- Yes
- No, **Skip to Q80**

If Yes: What type of company is providing these services (*read list*)? **Select one.**

- Leasing company
- Vehicle dealer
- Oil company
- Third-party garage
- Bank
- Vehicle manufacturer
- Shipping company
- Other

80. Do you track fuel expenses?

- Yes
- No, **Skip to Q81**

Do you track fuel expenses at the vehicle level?

- Yes
- No

81. Do you track maintenance expenses?

- Yes
- No, **If neither fuel nor maintenance expenses tracked skip to Q84**

Do you track maintenance expenses at the vehicle level?

- Yes
- No

82. Using the same 10-point scale, how important is it to track all vehicle expenses in one system?

_____ Importance rating

83. Do you track all vehicle expenses in one system?

- Yes
- No

If yes: What type of system do you use (*read list*)? **Select one.**

- Fleet management software
- PC spreadsheet
- Manual paper log
- Internet based service
- In-house proprietary software
- Commercial accounting software
- Other _____ **Probe**

84. Common methods of collecting expenses are (*read list*). What methods are used to collect information on your fleet expenses? **Select all that apply.**

- Manual tallying (gathering receipts, driver logs, etc.)
- Mail (bills/invoices through mail service)
- Direct link (host-to-host link with provider's mainframe)
- EDI (Electronic Data Interchange)
- Internet sites

85. How do you use the expense information you receive (*read list*)? **Select all that apply.**

- Verify valid expenses
- Identify exceptions
- Integrate into your electronic accounting system
- To negotiate discounts with fleet suppliers
- Notify when repairs are due
- Don't use
- Don't know

86. What is the most important information you receive that assists you in managing your fleet? Would it be (*read list*) or something else? **Select one.**

- Fuel reports
- Maintenance reports
- Consolidated reports
- Cost of operation reports
- Driver reports/records
- Mileage reports
- Other _____ **Probe**

56 – THE U.S. COMMERCIAL FLEET MARKET STUDY

87. Internet web applications provided by your vendors can be used for (*read list*). Which web applications do you use?
Select all that apply.

- Vehicle procurement
- License renewal
- Fleet cost tracking
- Customer service/Account maintenance
- Management reporting
- Vehicle parts procurement
- Driver background checks
- Other _____ **Probe**
- I do not use web applications. **Skip to Q92**

88. **If does not use web applications skip to Q92:** Do you use Internet web applications to purchase fleet items?

- Yes
- No

If yes: Which ones? Select all that apply.

- Fuel
- Maintenance
- Vehicles
- Vehicle parts
- Other _____ **Probe**

89. Do you use Internet web applications to track costs or identify exceptions?

- Yes
- No

If yes: Which ones? Select all that apply.

- Fuel
- Maintenance
- Parts/inventory
- Other _____ **Probe**

90. Do you use web applications to produce reports for your organization?

- Yes
- No

If yes: On what? Select all that apply.

- Fuel Reports
- Maintenance Reports
- Parts inventory
- Accident
- Other _____ **Probe**

91. What improvements would you like your fleet vendor to make to their web applications?

- Technical support
- Custom reports
- None
- Improve navigation and functionality
- Provide technical specifications for vehicles
- Consolidated maintenance and fuel reports
- Don't know
- Other _____ **Probe**

92. Telematic devices provide two way voice and data communication with your fleet providing four benefits:

ENHANCED COMMUNICATION – meaning it provides driving directions, traffic alerts, maps, and access to local information such as hotels and restaurants.

ENHANCED SAFETY – meaning it provides notification of air bag deployment, GPS location of vehicles in distress and disabling stolen vehicles.

ENHANCED MAINTENANCE – meaning it reports engine fault codes, provides early warning prior to breakdowns and notifications of scheduled maintenance.

ENHANCED EFFICIENCY – meaning it provides logistics tracking and scheduling information so the fleet is operating as efficiently as possible.

Using a 10 point scale where ten is most important, how important is (read first benefit/next) to your fleet?

Rating	Benefit
	Enhanced communication
	Enhanced safety
	Enhanced maintenance
	Enhanced efficiency

93. There is an up-front equipment charge and a monthly fee for two-way communication with your fleet. Thinking about communication and safety benefits, is a cost savings also required in order to justify purchasing telematics devices for your fleet?

- Yes
- No

If yes, Would you be satisfied if the savings paid for itself over the life of the vehicle?

- Yes
- No

94. **If they lease, ask:** Should your leasing company offer telematics and include the cost in your lease?

- Yes
- No

If yes, Should vehicle reports you access on the Internet combine leasing and telematics data?

- Yes
- No

95. Have you purchased telematics devices for your fleet?

- Yes, **Skip to Q96**
- No, **Continue**

If don't use any telematic devices: By 2008, do you anticipate adopting telematic technology for driver-to-dispatcher communication, vehicle tracking, trailer tracking, or remote vehicle diagnostics?

- Yes
- No

Skip to Q104

96. Do you use telematic devices to support your driver-to-dispatcher communication, vehicle tracking, trailer tracking, or remote vehicle diagnostics? **Select all that apply.**

- Driver-to-dispatcher communication
- Vehicle tracking
- Trailer tracking
- Remote vehicle diagnostics
- No, do not use

If use driver-to-dispatcher communication: How many telematic driver-to-dispatcher communication units do you have in service?

_____ Number of driver-to-dispatcher units

If use driver-to-dispatcher communication: For what purpose do you use telematic driver-to-dispatcher communication devices? **Select all that apply.**

- Voice communication
- Text messaging
- Street level mapping and rerouting
- Estimating arrival and departure times
- Productivity and customer call reports
- Driver log reports and state line crossings
- Fuel tax reporting

If use vehicle tracking: How many telematic vehicle tracking units do you have in service?

_____ Number of vehicle tracking units

If use vehicle tracking: For what purpose do you use telematic vehicle tracking devices? **Select all that apply.**

- Tracking truck location, speed, and direction
- Monitoring truck inventory
- Disabling trucks for unauthorized use (also called Geo-Fencing)
- Improving mileage by tracking speed, idling, unauthorized use
- Scheduled maintenance alerts
- Engine fault codes and low battery alerts
- Ability to unlock doors

If use trailer tracking: How many telematic trailer tracking units do you have in service?

_____ Number of trailer tracking units

If use trailer tracking: For what purpose do you use telematic trailer tracking devices? **Select all that apply.**

- Monitoring inventory and idle trailers
- Recovering lost trailers
- Reefer fault alert
- Monitoring open and closed trailer doors

If use remote vehicle diagnostics: How many telematic vehicle diagnostic units do you have in service?

_____ Number of remote diagnostic units

If use remote vehicle diagnostics: For what do you use telematic vehicle diagnostic devices?

- Engine trouble alerts
- Odometer readings
- Fuel level readings
- RPM level readings
- Airbag deployments

97. When considering telematic systems, there are two types of system implementations, hardwired in-vehicle systems and mobile handheld telephones with GPS capabilities. Which type of system do you prefer?

- Hardwire
- Handheld
- Don't know

98. Do you use telematics devices for any other purposes?

- Yes
- No

99. What changes has telematics had in the way you manage your fleet?

- Lower cost
- On time deliveries
- Increase in communication
- Don't know
- Other _____

100. What function within your organization benefits most from telematics applications? **Select One.**

- Operations
- Logistics
- Don't know
- Other _____ **Probe**

101. Who is your vendor for telematic devices? **Select one.**

- Vehicle manufacturer
- Leasing
- Third-party vendor
- Other _____ **Probe**

60 – THE U.S. COMMERCIAL FLEET MARKET STUDY

102. Using a 10 point scale where 10 is most important, how important is it that reporting from your telematics system be integrated into your other fleet management reporting system so you have a single source for fleet management information?

_____ Importance rating

Do you have a single integrated fleet management system?

- Yes
 No

103. Thinking about only telematic equipment, what is your preferred payment method for your telematic devices, an up-front capital outlay or a monthly fee?

- Upfront capital outlay
 Monthly fee

ADVANCED VEHICLE TECHNOLOGIES

Next, I would like to talk with you about advanced vehicle technologies.

104. Are you directly involved with your organization's evaluation of advanced vehicle technologies including alternative fuels, fuel cells, electric hybrid, and hydraulic hybrid?

- Yes
 No, **Thank respondent and end questionnaire.**

105. Does your company have a plan for your fleet to move to high efficiency vehicles?

- Yes
 No

If yes: Thinking about a typical vehicle, what cost savings per year do you anticipate?

_____ Cost savings per year

106. By 2008, what percent of your vehicles would you likely have equipped with alternative fuels, fuel cells, electric hybrid, hydraulic hybrid?

- _____ % with alternative fuels
_____ % with fuel cells
_____ % with electric hybrid
_____ % with hydraulic hybrid

That is all the questions I have. Could I send you a report on best fleet management practices after the study is complete? **Verify contact information and ask for email address.**

Thank Respondent!

SECONDARY QUESTIONNAIRE

THE U.S. COMMERCIAL FLEET MARKET FORECAST ISSUES AND SURVEY QUESTIONS

Business Name:			Consultant:
Contact:			Date:
Title:			Start Time:
Email#			End Time:
Address:			Total Time:
City:	State:	Zip:	Telephone:
Business: <input type="checkbox"/> Ag <input type="checkbox"/> Cnst <input type="checkbox"/> Mfg <input type="checkbox"/> Whl <input type="checkbox"/> Rtl <input type="checkbox"/> Utl <input type="checkbox"/> Srvc <input type="checkbox"/> Gov <input type="checkbox"/> Lhl <input type="checkbox"/> Shl			
Region: <input type="checkbox"/> NE <input type="checkbox"/> SE <input type="checkbox"/> MW <input type="checkbox"/> SW <input type="checkbox"/> W			
Fleet Size <input type="checkbox"/> 4-9 <input type="checkbox"/> 10-99 <input type="checkbox"/> 100+			

I would like to speak with the person most responsible for the acquisition, administration, and maintenance of your company operated vehicles.

Hello, my name is _____ from Havill & Company. We are an independent consulting firm located in Toledo, Ohio and are conducting a study of the commercial fleet market. We are asking a few questions regarding your company-operated vehicles. We are not selling anything and as a way of thanking you, we would like to send you a report on best fleet practices based on this study. Could I take a moment to ask you a few questions?

If they ask who the study is for, tell them: The study is sponsored by a group of leading vehicle manufacturers, leasing companies, and major oil companies who asked us to find out what fleet operators like you are looking for in the next generation of products.

1. Excluding trailers, how many vehicles do you operate (including company sedans, pickups, vans, and SUVs)? **If less than 4 vehicles, thank the respondent and terminate.**

_____ Number of vehicles

2. What is the nature of your business? **Confirm segment:** So, I should designate you as (*read appropriate business segment*)? **Select one.**

- Agriculture
- Construction
- Manufacturing
- Wholesale
- Retail
- Short haul for hire carrier
- Long haul for hire carrier
- Utility
- Service
- Government

3. Which of the following locations best describes the location at which you are the fleet manager, single location with no branches, branch location reporting to a headquarters, headquarters with branches reporting to you? **Select one.**

- Single location with no branches
- Branch reporting to headquarters
- Headquarters with branches reporting to you

62 – THE U.S. COMMERCIAL FLEET MARKET STUDY

4. What percent of your vehicles were acquired new versus used? **Must add to 100%.**

_____ % New
 _____ % Used

5. What percent of your vehicles are owned versus leased? **Must add to 100%**

_____ % Owned
 _____ % Leased

6. How many of your fleet vehicles are sedans, light duty trucks, medium duty trucks, heavy duty trucks tractor semis (excluding trailers), other heavy duty trucks excluding tractor semis, buses, other?

KEY TO CLASSIFYING LD, MD, AND HD SINGLE BODY TRUCKS

LD = Classes 1 and 2 (10,000 lbs. GVW or below) MD = Classes 3, 4, and 5 (10,001 to 19,500 lbs. GVW) HD = Classes 6, and 7 (19,501 lbs. GVW and more)

7. How many miles per gallon to you get for your (*read vehicle type/next*)?

8. What percentage of your (*read vehicle type/next*) vehicles would you characterize as operating in an urban traffic cycle with frequent braking and accelerating?

Vehicle Type	# of Vehicles	MPG	% Urban
Sedans			
LD Trucks			
MD Trucks			
HD Trucks			
Tractor-Semis			
Buses			
Other			

9. **If they have tractors, ask:** How many trailers does your fleet operate?

_____ Number of trailers

The next group of questions deal with your future fleet vehicle procurement plans.

10. Do you intend to purchase any diesel trucks between now and 2008?

[] Yes
 [] No

If Yes: Are you familiar with the new engine types mandated in 2007 that burn low sulfur diesel?

[] Yes
 [] No

Do you intend to pre-buy in advance of the regulations taking effect?

[] Yes
 [] No

VEHICLE PROCUREMENT

Next, I would like to ask you questions about the procurement of your vehicles.

11. Do you replace your vehicles based on number of years, number of miles, or as needed? **Select one.**

- Number of years
- Number of miles
- As needed, **skip to Q13**

12. After how many (years/miles) do you replace your (*read vehicle type/next*)?

Vehicle Type	Total Years	Total Miles
Sedans		
LD Trucks		
MD Trucks		
HD Trucks		
Tractor-Semis		
Buses		
Other		

13. I would like to read you a list of information sources used to research vehicle purchases and have you tell me if you use them. Do you use (*read list*)? **Select all that apply.**

- Trade magazines
- Company brochures
- Manufacturer websites
- Dealer showrooms
- Dealer websites
- Sales rep visits
- Personal contacts
- Government Sources
- Trade shows
- Other _____

14. Thinking about local dealerships, how do you prefer to hear about their vehicles and services? **Select all that apply.**

- Mail
- Email
- Telephone call
- Personal sales call
- Website
- Other _____

15. How do you prefer to finalize your purchase or lease? Through (*read list*) **Select one.**

- Sales rep visit
- Visit to the dealer
- Over the Internet
- Over the telephone
- Bid process
- Corporate decision
- Other _____

64 – THE U.S. COMMERCIAL FLEET MARKET STUDY

16. Thinking about the brand of vehicle you last purchased or leased, what was the primary reason for choosing that brand that was not available from other brands you shopped? What was the next most important factor in your brand decision?

First	Second	Factor
<input type="checkbox"/>	<input type="checkbox"/>	Cost
<input type="checkbox"/>	<input type="checkbox"/>	Availability
<input type="checkbox"/>	<input type="checkbox"/>	Dealer
<input type="checkbox"/>	<input type="checkbox"/>	Brand
<input type="checkbox"/>	<input type="checkbox"/>	Dependability
<input type="checkbox"/>	<input type="checkbox"/>	Specified for job
<input type="checkbox"/>	<input type="checkbox"/>	Parts availability
<input type="checkbox"/>	<input type="checkbox"/>	Service
<input type="checkbox"/>	<input type="checkbox"/>	Other

17. Do you prefer an American nameplate or a foreign nameplate or is it not important in your vehicle selection decision? **Select one.**

- American
- Foreign
- Not important

18. Do you think there is a difference in the residual values between an American nameplate and a foreign nameplate?

- Yes
- No

19. What is the typical order-to-delivery time for your (*read vehicle type/next*)? **Select one time frame for each vehicle.**

Sedans	LD	MD	HD	Tractors	Buses	Time Period
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	< 4 weeks
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 – 6 weeks
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 – 8 weeks
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 – 10 weeks
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 – 12 weeks
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	> 12 weeks

20. How many weeks longer are you willing to wait for your (*read vehicle type/next*) before looking for another vehicle supplier?

Vehicle Type	Time Period (wks.)
Sedans	
LD Trucks	
MD Trucks	
HD Trucks	
Tractor-Semis	
Buses	
Other	

I would now like to ask you a few questions regarding the fleet vehicles your company owns, **IF Q5 HAS 0% OWNED, SKIP TO Q23**

21. Do you purchase your new vehicles through a local dealer, national contract or a government contract? **Select all that apply.**

- Local dealer
- National contract
- Government contract

22. How do you finance your purchased vehicles? **Select one.**

- Internal
- Bank loan
- Vehicle manufacturer finance
- Leased to own

23. Do you have vehicle add-ons, such as power takeoffs, bed storage systems, cherry picker, alternative fuel cells, or crew cabs, installed within your fleet vehicles?

- Yes
- No

(“Power takeoff”: “PTO” device used to take power “off” from the engine, and through the transmission, to typically operate hydraulic systems. “Alternate fuel cells”: Cells or tanks added to a vehicle in order for it to consume both alternative fuels and gas or diesel.)

If yes: Where do you currently have vehicle add-ons (such as 4-wheel drive, power take-offs, etc.) installed, OEM after-market supplier, factory installed by vehicle manufacturer, local truck after-market shop, or in-house? **Select all that apply.**

- OEM after-market supplier
- Factory installed by vehicle manufacturer
- Local truck after-market shop
- In-house

MAINTENANCE & TBA ISSUES

Next, I would now like to ask you a few questions regarding your fleet maintenance activities and your procurement of after market vehicle parts.

24. What is your most important strategy for containing or lowering the cost of maintenance? **Select one.**

- On-site maintenance
- Short vehicle replacement cycle
- Outsource maintenance
- Standardize vehicles
- Short maintenance intervals
- Other _____

25. Using a 10-point scale where 10 is most important, how important is standardizing truck specifications as a cost savings strategy?

_____ Importance rating

26. Using the same 10-point scale, how important is it to the operation of your fleet that you minimize ‘out of service’ time due to maintenance?

_____ Importance rating

27. Is your preventive maintenance performed on your property or at an off-site location?

- On-site
- Off-site
- Both On-site and Off-site

If on-site, do you manage your on-site maintenance yourself?

- Yes
- No

If outsourced or offsite, ask: What is the single most important advantage you receive from your current preventive maintenance provider that other preventive maintenance providers don't offer? **Select one.**

- Low cost
- Fast service
- Nothing
- Quality of service
- Relationship with leasing company
- Proximity
- Open 24 hours
- Work is under warranty
- Other _____

28. Preventive maintenance can extend vehicle life, reduce overall maintenance cost, and improve in-service levels. What do you consider the most important benefit of preventive maintenance? **Select one.**

- Longer vehicle life
- Fewer breakdowns
- Other, _____

29. What are your preventive maintenance intervals based on, manual check (in route), time frequency, odometer reading/mileage? **Select all that apply.**

- Manual check (in route)
- Time frequency
- Odometer reading/mileage

30. How many miles do you typically drive on a set of tires on your (*read vehicle type/next*)?

Vehicle Type	Miles/Tire Set
Sedans	
LD Trucks	
MD Trucks	
HD Trucks	
Tractor-Semis	
Buses	
Other	

31. Where do you purchase your new tires? **Select all that apply.**

- National chain (Autozone, Pep Boys, etc.)
- OEM Vehicle manufacturer (Ford, GM, Mack, etc.)
- OEM Tire manufacturer (purchase directly from Firestone)
- Leasing company
- Third-party service provider (local dealer-like a Michel Tire, truck stop)

ON-SITE FUELING

Next, I would now like to ask you a few questions regarding your fleet refueling activities.

32. Do you fuel any of your vehicles on-site (either using tanks or mobile refueling service) and/or do you fuel any of your vehicles off-site? **Select all that apply**

- On-site
 Off-site

If no on-site skip to Q34.

33. What is the single most important factor in your decision to refuel on-site? **Select one.**

- Cost
 Convenience
 Control
 Other, _____

OFF-SITE FUELING

If no Offsite, skip to Q56.

34. **If off-site, ask:** Which type of facility do you primarily use when fueling off-site? Do you use retail stations, truck stops, or cardlocks (either unattended or at retail stations)? **Select one.**

- Retail stations
 Truck stops
 Cardlocks

35. What is the primary reason/factor for selecting (*read primary method, e.g. retail stations, truck stops, or cardlocks*)? **Select one.**

- Convenience
 Brand/station loyalty
 Location
 Price
 Personal preference
 Payment method dictates - card
 Don't know
 Government regulations
 Other _____

36. **If refuel at retail:** When you fuel at your primary retail station do you pass other retail stations on the way?

- Yes
 No

If yes: Why don't you fuel at the closest retail location that you pass? **Select one.**

- Don't take card/program w/ another station
 Brand loyalty
 Cost/Price
 Contract/acct w/ other station
 Service
 Other _____

68 – THE U.S. COMMERCIAL FLEET MARKET STUDY

37. Using a 10-point scale where 10 is most important, how important is it that your retail stations include the following services and amenities? Does your retail station provide that service or amenity? **Check if offered.**

Imp	Offer	<u>Features</u>
<u>Methods of Payment Accepted</u>		
_____	[]	Accepts checks
_____	[]	Accepts your fleet/credit card at the pump
_____	[]	Will open a (paper) account for your company
<u>Vehicle Services</u>		
_____	[]	Has truck wash
_____	[]	Has car wash
_____	[]	Offers preventive maintenance services
<u>Merchandise Offerings</u>		
_____	[]	Offers TBA merchandise
_____	[]	Offers C-store items
_____	[]	Offers fast food
_____	[]	Has restaurant-style meal service
_____	[]	Has ATM machine available
<u>Physical Facility Attributes</u>		
_____	[]	Has dedicated fleet islands
_____	[]	Has air and water
_____	[]	Has ample temporary parking space
_____	[]	Is accessible to oversized vehicles
_____	[]	Has 24-hour access
_____	[]	Offers full-service fueling
_____	[]	Offers diesel fuel
<u>Petroleum Equipment Offerings</u>		
_____	[]	Has cardless payment at dispensers
_____	[]	Has cash acceptors

PAYMENT METHODS

If fueling on-site only, skip to Q55.

38. How do your methods of payment for fuel break out among credit cards, cash, pre-paid cards, vouchers, driver reimbursement, and on-account?

_____ % Credit Cards (including bank, fleet, oil, ATM, Govt., etc.)
 _____ % Cash
 _____ % Vouchers
 _____ % On-account
 _____ % Pre-paid fuel card
 _____ % Driver reimbursement
 _____ % Other _____

39. What is the single most important advantage (*read primary payment method*) has over other payment methods? **Select one.**

[] Cost
 [] Convenience
 [] Control
 [] Reporting
 [] Discounts
 [] Other, _____

40. Can your drivers choose their payment method?

- Yes
- No

41. **If use cards:** Including all ATM, bank, oil, and fleet cards, how many different card programs does your fleet use?

_____ Number of card programs

42. **If currently using more than one card program:** Do you use more than one card program for fuel purposes?

- Yes
- No

If yes: Why do you use more than one card program for fuel? **Select all that apply.**

- Location of the stations
- Different cards for different vehicles/fuel types
- Choose to carry a spare card
- Each subsidiary/division/branch makes own choice of card
- Card program discounts

If yes: Would you prefer to use one card program?

- Yes
- No

43. Does your card program dictate the facility you refuel at or did you choose a card program that would be accepted at the facilities you currently use?

- Card program dictates facilities
- Chose program that is accepted at current facilities

44. Are your fleet cards currently assigned, by driver, by vehicle, by a combination of driver and vehicle, or by company card (can be used by all employees)?

- Driver
- Vehicle
- Combination of driver and vehicle
- Company card

45. Do any of your fuel cards offer a loyalty program that enables you to accumulate rewards points toward other purchases?

- Yes
- No

If yes: What type of purchases can you apply your points towards? **Select all that apply.**

- Same brand fuel
- Same brand maintenance
- Same brand C-store items
- Other retailers' goods accrued to the business
- Other retailers' goods accrued to the driver
- Other _____

46. Should loyalty programs benefit the company, the employee, or both the company and employee? **Select one.**

- Company
- Employee
- Both

70 – THE U.S. COMMERCIAL FLEET MARKET STUDY

47. Is there a fee for your primary card program?

- Yes
- No

If yes: What is your fee based on? How much is your *(first fee/next)*?

	Type of Fee	Fee
<input type="checkbox"/>	Per transaction fee	
<input type="checkbox"/>	Number of cards (\$/card)	
<input type="checkbox"/>	Percent of purchases	
<input type="checkbox"/>	Annual fee	
<input type="checkbox"/>	Fixed monthly fee	

If ‘Number of cards’, How many cards do you have that are charged a fee based on the number of cards?

_____ Number of cards

48. I would like to read you a list of card features and have you rate the importance of each feature to your business using a 10 point scale where 10 is most important. Does your primary card have this feature?

Rating	Has	Feature
		Wide acceptance
		In-station or one-station cards
		No card fees
		Ability to purchase non-fuel items such as maintenance and other travel and business expenses
		Security features requiring the driver to enter a PIN or ID number
		Ability to instantly void cards in the event of fraud, misuse, or loss
		Lockout features that restrict the brand, product type (gas/diesel/grade), amount, location, or time the card can be used
		Ability to set different lockout parameters on each card
		Fraud liability protection
		Ability to track expenses by department/project
		Extended payment terms
		High credit limit
		Revolving credit
		Provides enhanced features such as road side assistance
		Loyalty and rewards

My next questions deal with reporting features.

49. Using a 10 point scale with 10 being very important, how important is it that your reports *(read first feature/next)*. Does your primary card have that feature?

Rating	Has	Feature
		Are available online along with other account management capabilities
		Include IDs to report purchases by driver, vehicle, card number, division or department
		Provide mileage based information such as miles driven and miles per gallon
		Report unauthorized purchases or flags exceptions

50. Would you prefer a summary report or a report with transaction-by-transaction detail?

- Summary report
- Transaction by transaction report

51. Using a 10-point scale where 10 is completely satisfied, how satisfied are you with the reporting features of your card?

_____ Rating

If less than 9: What would your card provider need to do for you to rate the reporting a 10?

- Provide exception reporting
- Provide tax exempt reporting
- Provide online reports
- Offer customizable reporting
- Other _____

52. What is your current billing cycle, monthly, bi-weekly, weekly, daily? **Select one.**

- Monthly
- Bi-weekly
- Weekly
- Daily
- Other

53. Is that the most convenient billing cycle for you?

- Yes
- No

If No: What billing cycle would you prefer? **Select one.**

- Monthly
- Bi-weekly
- Weekly
- Daily
- Other

54. Bills can be sent by (*read first media/next*), how would you like to receive bills? **Select all that apply.**

- Diskette
- Paper
- On-line access through the Internet
- Direct link (host-to-host link with provider's mainframe)
- EDI (Electronic Data Interchange)
- Fax
- No bills – pay cash only

55. How long have you been using your primary card program? **Select one.**

- Less than 6 months
- 6 months to 1 year
- 1 – 2 years
- 2 – 3 years
- 3 – 5 years
- More than 5 years

FLEET ADMINISTRATION ISSUES

Next, I would now like to ask you a few questions regarding how you administer your fleet vehicles.

56. Do your fleet vehicles operate out of multiple locations?

- Yes
 No

If yes: Do you make decisions for just this location or for more than one location? **Select one.**

- This location only
 More than one location

57. Which of the following fleet related administration decisions are you involved with, vehicle procurement, fueling programs, maintenance programs, driver hiring? **Select all that apply.** Which do you make the final decisions for?

<u>Involved</u>	<u>Make Final</u>	
<input type="checkbox"/>	<input type="checkbox"/>	Vehicle procurement
<input type="checkbox"/>	<input type="checkbox"/>	Fueling programs
<input type="checkbox"/>	<input type="checkbox"/>	Maintenance programs
<input type="checkbox"/>	<input type="checkbox"/>	Driver hiring

58. Which department/division is responsible for fleet administration? **Select one.**

- Fleet department
 General management (Non-departmentalized)
 Transportation/shipping department
 Accounting/finance department
 Vehicle maintenance department
 Administration/office manager/human resources
 Operations department
 Purchasing/procurement department
 Risk management department
 Marketing department

59. Do you use the Internet at work for fleet related activities?

- No, **Skip to Q60**
 Yes

If yes: You mentioned that you use the Internet at work. What specifically do you use the Internet for? **Select all that apply.**

- Research vehicle options
 Order vehicle parts
 Specify and order vehicles
 Track inventories of vehicles and/or parts
 Locate vehicle dealerships
 Track detailed vehicle maintenance costs
 Access fueling or maintenance reports
 Track detailed vehicle fueling costs
 Billing and invoicing
 Locate fueling, maintenance, and other service facilities

60. What fleet associations are you a member of? **Select all that apply.**

- NAFA – National Association of Fleet Administrators
- ATA – American Trucking Association
- NVLA – National Vehicle Leasing Association
- ITLA – International Taxicab and Livery Association
- NUCA – National Utility Contractors Association
- TMC – Truck Maintenance Council
- OPIS – Oil Price Information Service
- CLM – Council of Logistic Management
- Other _____

61. What sources of information do you use to keep up to date on the fleet industry? **Select all that apply.**

- Trade magazine articles
- Trade shows
- Vendor’s newsletters
- Competitors
- Industry associations
- Internet

62. I would like to read you a list of services and have you tell me if you outsource management of that service, the first service is (*read list/next*)? **If no service is outsourced skip to Q67.**

Outsource

- Vehicle procurement
- Vehicle financing
- Vehicle remarketing
- Motor vehicle registration record procurement
- License renewal
- Drivers
- Driver safety training
- Logistics
- Fuel management
- Maintenance
- Roadside assistance
- Accident services
- Management reporting

63. What is the single most important factor in your decision whether or not to outsource a particular service? **Select one.**

- Cost
- Convenience
- No fleet department
- Capability
- Other, _____

64. **If outsourcing more than one service, ask:** Are any of those services provided by the same vendor?

- Yes
- No

74 – THE U.S. COMMERCIAL FLEET MARKET STUDY

65. **If outsourcing more than one service, ask:** Does your supplier price its services based on a single bundled negotiated contract for all the services provided, on an “a la carte” (per service) basis, or do you have an option to purchase bundled services for one price or a la carte?

- Single bundled for all services
- A la carte (per service price)
- Option of bundled or a la carte

If no bundled price is offered: On a scale of 1 to 10 where 10 is very likely, how likely would you be to consider purchasing your services bundled under one price, if you were offered such an arrangement?

_____ Likely rating

If both bundled and “a la carte” pricing are offered: Is your arrangement based on bundled pricing or a la carte?

- Bundled
- A la carte

If “a la carte”: What do you consider the benefits of using the “a la carte” price approach? **Select one.**

- Don’t want to be locked into a single source contract
- Don’t want to give up control of entire fleet operations to one source
- Cost of bundling is not competitive

If single bundled price: What do you consider the benefits of using one single vendor/price approach? **Select all that apply.**

- Happy with all the programs the service provider offers
- Prefer the control factor of using only one source
- Less paperwork/ease of use
- Lower total cost

66. Has total fleet management outsourcing been considered for your company?

- Yes
- No

If No: Why not?

- Cost
- No need
- Control
- Corporate decision
- Other, _____

67. Telematic devices provide two way voice and data communication with your fleet. Can you get telematics devices from the company that supplies your vehicles?

- Yes
- No

If no, ask: Using a 10 point scale where 10 is very likely, how likely would you be to order vehicles with telematic devices if they were made available from your vehicle supplier?

_____ Likely rating

68. Have you ever shopped for telematic devices from an OEM vehicle manufacturer?

- Yes
- No

If Yes: Would you prefer telematics from your vehicle supplier or a third-party telematics supplier or doesn't it matter? **Select one.**

- Vehicle supplier
- Third-party supplier
- Doesn't matter

If Yes: Did you have any telematics needs that weren't available from the OEM vehicle manufacturer?

- Yes
- No

If Yes: What needs did you have?

- Reporting
- Compatibility with other vehicles
- Other, _____

69. What do you see as your top issues for you and your fleet in the coming years? **Select all that apply.**

- Fuel cost
- Government regulations
- Adoption of new technology
- Mechanic availability
- Driver availability
- Availability of tires
- Insurance cost
- Other, _____

ADVANCED VEHICLE TECHNOLOGIES

Next, I would like to ask you a few questions regarding advanced vehicle technologies.

70. Are you directly involved with your organization's evaluation of advanced vehicle technologies including alternative fuels, fuel cells, electric hybrid, and hydraulic hybrid?

- Yes
- No, **Thank respondent and end questionnaire.**

71. Has the organization ever evaluated alternative fuels, fuel cells, electric hybrid, or hydraulic hybrid technologies?

- Yes
- No

If Yes: To what degree have you evaluated alternative fuels, fuel cells, electric hybrid, or hydraulic hybrid technologies? **Select all that apply.**

- Casually browsed industry research articles
- Conducted targeted investigation (trade magazines, Internet, etc.)
- Attended trade conferences on the subject
- Met with potential technology supplier to review applications
- Met with potential technology supplier to discuss a pilot test
- Conducted a pilot test
- Developed policy for adopting technology

76 – THE U.S. COMMERCIAL FLEET MARKET STUDY

72. Has your organization ever implemented alternative fuels, fuel cells, electric hybrid, or hydraulic hybrid technologies?

- Yes
- No

If Yes: How many vehicles are currently equipped with alternative fuels, fuel cells, electric hybrid, hydraulic hybrid technology?

- _____ Number of vehicles with alternative fuels
- _____ Number of vehicles with fuel cells
- _____ Number of vehicles with electric hybrid
- _____ Number of vehicles with hydraulic hybrid

73. Are any government requirements pushing you towards one or more of these technologies?

- Yes
- No

If yes: Which requirements? Which technologies?

74. Are you familiar with any tax incentives offered in your area to encourage the adoption of emission control technology for medium and heavy duty vehicles?

- Yes
- No

If yes: Which technologies qualify for the incentive program: alternative fuels, fuel cells, electric hybrid, and/or hydraulic hybrid? **Select all that apply.**

- Alternative fuels
- Fuel cells
- Electric hybrid
- Hydraulic hybrid

If yes: Which authority/organization(s) coordinate the incentive program?

If yes: What are the emission reduction rates that must be met in order to qualify?

If yes: What are the incentives if you qualify?

75. If you were to adopt an advanced vehicle technology what would be the single most important benefit you would be looking for? **Select one.**

- Initial purchase/lease price
- Fuel economy
- Fuel type
- Emissions reduction
- Safety features
- Driver comfort
- Noise reduction
- Tax incentives
- Government regulations
- Low relative maintenance
- Availability of convenient fueling infrastructure
- Technology maintains current levels of vehicle performance
- Ample vehicle availability

76. Many advanced vehicle technologies purport to improve fuel economy but add cost initially to the purchase price. What payback period (in months) would be acceptable in order to move forward with the adoption of a technology?

_____ Payback in months

77. Based on your current knowledge, please rank your expected future investments in the adoption of alternative fuels, fuel cells, electric hybrid, hydraulic hybrid technologies, with 1 being the most likely.

- _____ Alternative fuels
- _____ Fuel cells
- _____ Electric hybrid
- _____ Hydraulic hybrid

78. When considering the implementation of one of these advanced vehicle technologies would you be more likely to retrofit that technology or purchase it on new vehicles, or would both be considered equally?

- Retrofit
- Purchase on new vehicle
- Both considered equally

If retrofit considered: Would you expect to install the retrofit equipment in-house? Or, would you require an authorized third-party dealer install and warranty the equipment? **Select one.**

- In-house
- Authorized third-party install
- Both considered equally

79. Which types of vehicles would you target for alternative fuels, fuel cells, electric hybrid, hydraulic hybrid? **Select all that apply.**

- Sedans
- LD
- MD
- HD
- Tractors

78 – THE U.S. COMMERCIAL FLEET MARKET STUDY

If (*read first technology/next*) was commercially available today, would you consider purchasing this technology? **If yes:** In what year would you expect to research, pilot, implement (*read first selected technology/next*)?

Purchase	Technology	Research (Year)	Pilot (Year)	Implement (Year)
Yes No	Alternative fuels			
Yes No	Fuel cells			
Yes No	Electric hybrid			
Yes No	Hydraulic hybrid			

That is all the questions I have. Could I send you a report on best fleet management practices after the study is complete?
Verify contact information and ask for email address.

Thank Respondent!

SAMPLING STRATIFICATION

APPENDIX C

INTRODUCTION

The *Commercial Fleet Market Forecast: 2004-2008* is an update to the *Commercial Fleet Market Forecast: 1999-2001*.

The integrity of the primary research conducted for the study lies within the sampling methodology. Sampling methodology is inclusive of a number of steps. These steps are:

- Selecting a sample population, determining sample size.
- Stratifying the sample population to its relative universe so it is representative.
- Calculating projection factors so that the sample may be projected to the universe it is intended to represent.

Finally, the raw data and projected data must both be reviewed to ensure it is statistically significant and not biased by outliers.

Sampling Considerations	
Raw Data	Data collected from the research respondents, prior to projecting it to its relative universe.
Weights or Projection Factors	Multipliers used to project the sample data to the population.
Projected Data	Raw data projected to the population.
Outliers	Respondents whose answers are greater than two standard deviations from the mean of a sample.
Over-sample	Additional respondents interviewed beyond sampling quotas to enhance or verify sample data. These respondents were NOT used within the projected data set.

The sampling methodology used for the oversample was consistent with that of the primary sample. Data shown in this section reflects initial core sampling quotas.

METHODOLOGY

Commercial Truck Population By State and Commercial Market Segment

To stratify the sample to region and commercial market segment populations, fleet population data by state was collected from the *Vehicle Inventory and Use Survey (VIUS)*. Government data was collected from the Department of Transportation’s *Highway Statistics Annual 2002* and the *Federal Motor Vehicle Fleet Report 2002*.

Fleet Business Segment Sample

Fleet Business Segment Sample	
Agriculture Fleets (Ag)	SIC codes 01-14 and 99 include all fleets of businesses engaged in the primary function of agriculture, forestry, fishing, mining, and non-classifiable establishments.
Construction Fleets (Const)	SIC codes 15-17 include all fleets of businesses engaged in the construction and contracting trades.
Government Fleets (Govt)	SIC codes 43 and 91-97 include all vehicles operated by the federal, state, county, local, and municipal governments, as well as the United States Postal Service.
Long-haul Fleets (Lhaul)	SIC codes 4142, 4213, and 4231 include all fleets operated by companies whose on road vehicles transport persons and/or materials over the interstate, regionally or nationally.
Manufacturing Fleets (Mfg)	SIC codes 20-39 include all fleets operated by manufacturing companies.
Retail Trade Fleets (Rtl)	SIC codes 52-59 include all fleets of businesses whose primary function is to engage in retail trade..
Service Fleets (Srvc)	SIC codes 60-89 include all fleets operated by businesses engaged in the service industry. Auto rental fleets (group 751) are included here, but are analyzed separately.
Short-haul Fleets (Shaul)	SIC codes 4111, 4119, 4121, 4131, 4141, 4151, 4173, 4212, 4214-15, 4222, 4225-26, 44 to 47 include all fleets operated by companies whose on road vehicles transport persons and/or materials within a metropolitan area.
Utility Fleets (Utl)	SIC codes 48 and 49 include all vehicles operated by utility companies including gas, electric, and telephone companies.
Wholesale Trade Fleets (Whls)	SIC codes 50 and 51 include all not-for-hire delivery and distribution vehicles operated by companies whose primary function is wholesale trade.

Regional Stratification

Composition of Each Region				
<u>Northeast</u>	<u>Southeast</u>	<u>Midwest</u>	<u>Southwest</u>	<u>West</u>
CT	AL	IL	AR	AZ
DC	FL	IN	CO	CA
DE	GA	IA	KS	ID
ME	KY	MI	LA	MT
MD	MS	MN	MO	NV
MA	NC	NE	NM	OR
NH	SC	ND	OK	UT
NJ	TN	OH	TX	WA
NY		SD		WY
PA		WI		
RI		NE		
VT				
VA				
WV				

Sampling methodology required interviews to be conducted within each business segment and fleet size in each of the five regions. Although a minimum of five attempts were made with each contact from the list, additional interviews needed to be completed with other contacts in order to attain the required number of completed interviews.

Specifically, in the government segment there were limited records in the list source. Therefore, interviews were completed within the region as a whole, and not on a state-by-state basis. This ensures that market data is representative of any geographical differences that may exist at the region level. Quotas were rolled up into regions to insure that the appropriate sample would be interviewed.

Interview Quotas By Region and Commercial Market Segment											
<u>State</u>	<u>Agr.</u>	<u>Cnst.</u>	<u>Govt.</u>	<u>Lhaul</u>	<u>Mfg.</u>	<u>Rtl.</u>	<u>Srv.</u>	<u>Shaul</u>	<u>Utl.</u>	<u>Whls.</u>	<u>Total</u>
Northeast	15	27	27	19	19	24	32	25	22	34	244
Southeast	15	19	26	25	24	16	21	17	22	20	205
Midwest	21	20	30	28	26	25	21	28	21	21	241
Southwest	22	23	31	21	17	24	24	21	15	22	220
West	15	19	21	13	18	21	22	19	19	21	188
Total	88	108	135	106	104	110	120	110	99	118	1098

BUSINESS FLEETS SURVEYED

APPENDIX D

INTRODUCTION

The commercial market segmentation used in this research was based on major use categories as stated in the *Vehicle Inventory and Use Survey (VIUS)*. Our research database of businesses with trucking requirements was the list source used for the primary interviews. The respondent list was categorized according to region, business segment (based on 2-digit SIC code¹) and fleet size (four to nine vehicles, ten to forty-nine vehicles, and fifty or more vehicles). This section includes these sample statistics.

¹ Within the short haul and long haul segments, four-digit SIC codes were used to differentiate fleets whose on-highway vehicles typically operate locally versus fleets whose on-highway vehicles operate regionally or nationally.

FLEET BUSINESS SEGMENT SAMPLED

Ten commercial market segments were defined by their respective primary two-digit SIC range. These definitions were as follows:

Fleet Business Segment Sampled	
Agriculture Fleets (Ag)	SIC codes 01-14 and 99 include all fleets of businesses engaged in the primary function of agriculture, forestry, fishing, mining, and non-classifiable establishments.
Construction Fleets (Const)	SIC codes 15-17 include all fleets of businesses engaged in the construction and contracting trades.
Government Fleets (Govt)	SIC codes 43 and 91-97 include all vehicles operated by the federal, state, county, local, and municipal governments, as well as the United States Postal Service.
Long-haul Fleets (Lhaul)	SIC codes 4142, 4213, and 4231 include all fleets operated by companies whose on road vehicles transport persons and/or materials over the interstate, regionally or nationally.
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Short-haul Fleets (Shaul)	SIC codes 4111, 4119, 4121, 4131, 4141, 4151, 4173, 4212, 4214-15, 4222, 4225-26, 44 to 47 include all fleets operated by companies whose on road vehicles transport persons and/or materials within a metropolitan area.
Utility Fleets (Utl)	SIC codes 48 and 49 include all vehicles operated by utility companies including gas, electric, and telephone companies.
Wholesale Trade Fleets (Whls)	SIC codes 50 and 51 include all not-for-hire delivery and distribution vehicles operated by companies whose primary function is wholesale trade.

The core research was stratified so representative interviews could be conducted in each commercial market segment and fleet size bucket for a target of 900 interviews. These stratification statistics are detailed in Appendix C. In addition to the core research sample of 894 interviews, an additional 204 interviews were conducted to obtain additional market data. The number of interviews listed above represents completed interviews which have passed Havill & Company research standards; any interview which did not meet research standards was discarded.

Outliers Defined

Outliers Havill Consultants categorizes an outlier as a response that is more than two standard deviations away from the mean for any question.

The final data files used to compile this report included 894 core research interviews and an over-sample of 204 interviews. Each fleet was coded to its three-digit quota code which encompasses region, segment and fleet size.

AGRICULTURE FLEETS SAMPLED

Agriculture Fleets (Base = Respondents in the Agriculture Business Segment)			
Fleet Size	Core Sampled	Over-Sampled	Ttl Sampled
4-9 Fleet Vehicles	31	1	32
Northeast	7	0	7
Southeast	6	0	6
Midwest	8	0	8
Southwest	6	1	7
West	4	0	4
10-49 Fleet Vehicles	29	1	30
Northeast	5	0	5
Southeast	3	0	3
Midwest	6	1	7
Southwest	7	0	7
West	8	0	8
50+ Fleet Vehicles	20	6	26
Northeast	3	0	3
Southeast	3	0	3
Midwest	5	1	6
Southwest	6	5	11
West	3	0	3
Total	80	8	88

CONSTRUCTION FLEETS SAMPLED

Construction Fleets (Base = Respondents in the Construction Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	26	5	31
Northeast	3	1	4
Southeast	6	1	7
Midwest	4	1	5
Southwest	8	2	10
West	5	0	5
10-49 Fleet Vehicles	34	10	44
Northeast	11	3	14
Southeast	7	1	8
Midwest	6	3	9
Southwest	5	0	5
West	5	3	8
50+ Fleet Vehicles	28	5	33
Northeast	8	1	9
Southeast	4	0	4
Midwest	3	3	6
Southwest	7	1	8
West	6	0	6
Total	88	20	108

GOVERNMENT FLEETS SAMPLED

Government Fleets (Base = Respondents in the Government Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	15	1	16
Northeast	3	1	4
Southeast	1	0	1
Midwest	5	0	5
Southwest	5	0	5
West	1	0	1
10-49 Fleet Vehicles	34	4	38
Northeast	9	0	9
Southeast	4	0	4
Midwest	10	3	13
Southwest	9	1	10
West	2	0	2
50+ Fleet Vehicles	62	19	81
Northeast	13	1	14
Southeast	16	5	21
Midwest	7	5	12
Southwest	13	3	16
West	13	5	18
Total	111	24	135

LONG HAUL FLEETS SAMPLED

Long Haul Fleets (Base = Respondents in the Long Haul Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	26	4	30
Northeast	4	1	5
Southeast	4	0	4
Midwest	6	2	8
Southwest	5	1	6
West	7	0	7
10-49 Fleet Vehicles	29	2	31
Northeast	8	0	8
Southeast	5	1	6
Midwest	7	1	8
Southwest	5	0	5
West	4	0	4
50+ Fleet Vehicles	32	13	45
Northeast	4	2	6
Southeast	11	4	15
Midwest	8	4	12
Southwest	8	2	10
West	1	1	2
Total	87	19	106

MANUFACTURING FLEETS SAMPLED

Manufacturing Fleets (Base = Respondents in the Manufacturing Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	27	2	29
Northeast	7	0	7
Southeast	5	1	6
Midwest	5	0	5
Southwest	5	0	5
West	5	1	6
10-49 Fleet Vehicles	32	2	34
Northeast	7	0	7
Southeast	7	0	7
Midwest	9	0	9
Southwest	5	1	6
West	4	1	5
50+ Fleet Vehicles	26	15	41
Northeast	3	2	5
Southeast	6	5	11
Midwest	6	6	12
Southwest	5	1	6
West	6	1	7
Total	85	19	104

RETAIL FLEETS SAMPLED

Retail Fleets (Base = Respondents in the Retail Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	29	7	36
Northeast	6	0	6
Southeast	6	1	7
Midwest	5	0	5
Southwest	6	6	12
West	6	0	6
10-49 Fleet Vehicles	32	6	38
Northeast	8	1	9
Southeast	6	0	6
Midwest	6	3	9
Southwest	5	1	6
West	7	1	8
50+ Fleet Vehicles	29	7	36
Northeast	8	1	9
Southeast	3	0	3
Midwest	8	3	11
Southwest	5	1	6
West	5	2	7
Total	90	20	110

SERVICE FLEETS SAMPLED

Service Fleets (Base = Respondents in the Service Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	28	8	36
Northeast	6	4	10
Southeast	6	2	8
Midwest	5	1	6
Southwest	7	0	7
West	4	1	5
10-49 Fleet Vehicles	34	8	42
Northeast	7	2	9
Southeast	6	1	7
Midwest	6	1	7
Southwest	9	2	11
West	6	2	8
50+ Fleet Vehicles	31	11	42
Northeast	9	4	13
Southeast	5	1	6
Midwest	5	3	8
Southwest	4	2	6
West	8	1	9
Total	93	27	120

SHORT HAUL FLEETS SAMPLED

Short Haul Fleets (Base = Respondents in the Short Haul Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	24	3	27
Northeast	5	1	6
Southeast	3	0	3
Midwest	5	1	6
Southwest	6	1	7
West	5	0	5
10-49 Fleet Vehicles	33	6	39
Northeast	6	4	10
Southeast	8	0	8
Midwest	7	0	7
Southwest	5	1	6
West	7	1	8
50+ Fleet Vehicles	27	17	44
Northeast	5	4	9
Southeast	2	4	6
Midwest	7	8	15
Southwest	7	1	8
West	6	0	6
Total	84	26	110

UTILITY FLEETS SAMPLED

Utility Fleets (Base = Respondents in the Utility Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	24	2	26
Northeast	6	0	6
Southeast	2	1	3
Midwest	7	0	7
Southwest	5	0	5
West	4	1	5
10-49 Fleet Vehicles	34	3	37
Northeast	7	0	7
Southeast	8	0	8
Midwest	7	1	8
Southwest	6	0	6
West	6	2	8
50+ Fleet Vehicles	26	10	36
Northeast	7	2	9
Southeast	8	3	11
Midwest	5	1	6
Southwest	2	2	4
West	4	2	6
Total	84	15	99

WHOLESALE FLEETS SAMPLED

Wholesale Fleets (Base = Respondents in the Wholesale Business Segment)			
<u>Fleet Size</u>	<u>Core Sampled</u>	<u>Over-Sampled</u>	<u>Ttl Sampled</u>
4-9 Fleet Vehicles	32	3	35
Northeast	6	0	6
Southeast	6	0	6
Midwest	4	0	4
Southwest	6	1	7
West	10	2	12
10-49 Fleet Vehicles	30	9	39
Northeast	12	2	14
Southeast	1	2	3
Midwest	7	3	10
Southwest	5	1	6
West	5	1	6
50+ Fleet Vehicles	30	14	44
Northeast	10	4	14
Southeast	7	4	11
Midwest	2	5	7
Southwest	8	1	9
West	3	0	3
Total	92	26	118

PURCHASE AGREEMENT

This agreement is a contract to subscribe to *The U.S. Commercial Fleet Market Forecast: 2004-2008* as described in this prospectus, which the undersigned acknowledges having received and read. To enroll, please complete and sign this agreement, and return to: Havill & Company, Inc., 3178 N. Republic Blvd., Suite 1, Toledo, OH 43615. The following terms formalize this agreement between Havill & Company, Inc. ("Havill"), and the undersigned participating company (the "Subscriber"), who hereby agree as follows:

1. Havill shall provide to the Subscriber three (3) copies of *The U.S. Commercial Fleet Market Forecast: 2004-2008* report pursuant to the terms and conditions set forth in this agreement.
2. In exchange for the reports to be provided by Havill, the Subscriber shall pay Havill the Subscription Fee specified in item 3 below.
 - a. All services to be rendered by Havill pursuant to this agreement are conditional upon adequate funding from participating Subscribers. Havill reserves the right to abandon the project and terminate all of its obligations under this agreement by written notice to the Subscriber if Havill is not fully funded. In that case, the Subscriber's deposit will be returned and the project will be canceled. At its discretion, Havill may proceed even if the program is not fully subscribed.
 - b. The market research survey deliverables will be determined by Havill. Charter subscribers will be given the opportunity to review the survey questionnaires and suggest questions for inclusion in the study, so long as the scope of the research is not significantly expanded. Issues and questions put forth in this prospectus are for illustration purposes only and may not be included in the final report if Havill determines there is a lack of subscriber interest.
 - c. The research database deliverables will be determined by Havill. No claims are made on the accuracy or completeness of the data. Access to the database may be terminated at any time by Havill, but will not be granted beyond June 1, 2006 without a separate contract.
3. The Subscription Fee for corporations, partnerships, and sole proprietors submitting signed contracts is shown in the table below. One half of the subscription fee is due along with the signed contract with the balance payable upon completion of the research. Separate business units focusing on specifically distinct products and services but held by a common parent company must subscribe separately. A \$3,000 discount will be applied to the subscription fee when there are multiple subscribers from organizations with the same parent. This discount will be applied to the final payment.

Subscription Fee	Pre-Publication	Post-Publication
One Survey	\$13,500	\$15,500
Remaining Two Surveys	\$3,500	\$4,500
Presentation, State & MSA Analysis, Research Database, which includes downloading up to 20,000 prospect records	\$3,000	\$4,000
FleetLeads access to the research database of 860,000 prospect records by subscriber and channel partners	\$4,500	\$100 - \$360 per thousand

4. Invoices are due and payable upon receipt. A finance charge of 1.5% per month will be assessed on any unpaid balance after deduction of current payments, credits, and allowances made within 30 days of date of billing. This is an Annual Percentage Rate (APR) of 18%.
5. The term of the research provided pursuant to this agreement shall be for a period beginning upon the date of execution of this agreement and ending upon completion of the project. Havill may terminate its obligations under this agreement prior to December 31, 2006, if the Subscriber does not comply with the terms or conditions of this agreement.
6. The Subscriber hereby consents to the use by Havill of all data and information furnished to Havill by the Subscriber, and represents and agrees that all such data and information will be valid and accurate.
7. Havill draws on information and analysis believed to be reliable. However, neither Havill nor individuals credited with authorship or support can guarantee accuracy or completeness, or be liable for possible errors of fact or judgment. The Subscriber hereby releases and waives any and all claims it may have against Havill their respective directors, members, shareholders, officers, employees, agents, and representatives (collectively, "Representatives") from any and all claims, liabilities, or damages resulting from the use of information or data or services provided by Havill. The Subscriber may only use the data or information provided by Havill within the subscriber's company, but such information shall not be used or relied upon as the exclusive basis for evaluating sales and marketing

decisions. IN NO EVENT WILL HAVILL OR ITS REPRESENTATIVES BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES ARISING DIRECTLY OR INDIRECTLY OUT OF THE USE OF, OR INABILITY TO USE, HAVILL INFORMATION OR SERVICES. If any of the limitations on liability of Havill or the Subscribers affiliated therewith or their Representatives contained in this agreement are found to be invalid or unenforceable for any reason by a court of competent jurisdiction, the Subscriber agrees that the maximum liability of Havill and its affiliated Subscribers or their Representatives shall not, in the aggregate, be greater than the enrollment price of the study paid by the Subscriber.

8. The Subscriber acknowledges and agrees that Havill is the owner of all rights, titles, and interests in and to Havill research, its database and information, including without limitation, all patent, copyright, trademark, service mark, trade secret, and trade name rights in and to the foregoing. The Subscriber shall not disclose to anyone, or permit anyone access to, Havill data, information, or programs. The Subscriber agrees that any breach of this paragraph would cause Havill irreparable injury, and that upon any breach or attempted breach of this paragraph, Havill shall have the right to injunctive relief in addition to any other remedies at law or equity.
9. This agreement shall be governed by Ohio law. Each party hereby designates the Court of Common Pleas of Lucas County, Ohio, as the court of proper jurisdiction and venue of and for any and all lawsuits or other legal proceedings relating to this agreement and hereby irrevocably consent to such designation, jurisdiction, and venue; and hereby waive any objections or defenses relating to jurisdiction or venue with respect to any lawsuit or other legal proceeding initiated in the Court of Common Pleas of Lucas County, Ohio.

ORDER AND PRICING FORM		
<input checked="" type="checkbox"/> Check reports being purchased		
<input type="checkbox"/> Vehicle Procurement including Advanced Vehicle and Fuel Technologies		
<input type="checkbox"/> Refueling and Payment Methods		
<input type="checkbox"/> Leasing, Maintenance & TBA, and Fleet Management		
<hr/>		
<input checked="" type="checkbox"/> Check items purchased and total prices	Pre-Publication	Post-Publication
<input type="checkbox"/> One Survey	\$13,500	\$15,500
<input type="checkbox"/> Remaining Two Surveys	\$3,500	\$4,500
<input type="checkbox"/> Presentation, State & MSA Analysis, Research Database, which includes downloading up to 20,000 prospect records	\$3,000	\$4,000
<input type="checkbox"/> FleetLeads access to the research database of 860,000 prospect records by subscriber and channel partners	\$4,500	\$100 - \$360 per thousand
Total (Payable with signed contract)		

Please send a check payable to the Havill & Company, Inc., and return this signed agreement by fax or mail.

Accepted for:

Company: _____	Company: <u>Havill & Company, Inc.</u>
Date: _____	Date: _____
Name (Sign): _____	Name (Sign): _____
Name (Print): _____	Name (Print): _____
Title: _____	Title: _____
Address: _____	Address: <u>3178 N. Republic Blvd.</u>
C/S/Z: _____	C/S/Z: <u>Toledo, OH 43606</u>
Telephone: _____	Telephone: <u>(419) 841-2244</u>
FAX: _____	FAX: <u>(419) 841-2211</u>
Email: _____	Email: <u>jzohn@havillconsultants.com</u>