

## How Does Your Fleet Measure Up? Operating Costs Increase in 2004

The increase in fuel prices has caused overall fleet operating costs to increase in 2004 compared to 2003. Although maintenance and oil change expenses increased in some vehicle segments, on average, they remained relatively stable compared to 2003. If fuel expenses are not included, then fleet operating costs have remained flat during the 2004 calendar year.

These were the findings in the thirteenth annual fleet operating cost survey compiled by *Business Fleet's* sister publication, *Automotive Fleet* and its survey partners: ARI, GE Commercial Finance, Fleet Services, LeasePlan USA and PHH Arval. The 2004 study is based on the analysis of actual operating costs incurred by 503,396 vehicles operated by commercial fleets that are managed by ARI, GE Commercial Finance, Fleet Services, LeasePlan USA, and PJJ Arval.

One factor that may play a greater role in exerting upward pressure on fleet operating costs in future years is the trend for companies to operate vehicles for longer service lives. All participating fleet management companies reported a greater

preponderance of fleets keeping vehicles in service longer and accumulating higher mileages. Also, many fleets have combined sales and service territories to maximize vehicle utilization. As territory sizes have grown, so too has the average number of miles driven per month.

2004 Operating Costs for 21,855 Compact Cars							Depreciation Expense for COMPACT CARS	
	<24,000 Miles		24-48,000 Miles		48-80,000 Miles		2004	
	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Avg. Monthly Miles	Avg. Months In Service
Gasoline 2004	0.0772	\$113.93	0.0671	\$118.67	0.0689	\$133.92	2,035	31
Oil 2004	0.0034	\$4.32	0.0031	\$5.53	0.0035	\$5.63	\$15,774	0.1725
Tires 2004	0.0042	\$2.60	0.0042	\$7.65	0.0067	\$12.18	\$328.77	
Maintenance/Repair 2004	0.0106	\$14.06	0.0154	\$30.26	0.0289	\$50.79		
Total Operating Costs 2004	0.0953	\$134.79	0.0891	\$160.86	0.1068	\$200.49		

2004 Operating Costs for 191,372 INTERMEDIATE CARS							Depreciation Expense for INTERMEDIATE CARS	
	<24,000 Miles		24-48,000 Miles		48-80,000 Miles		2004	
	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Avg. Monthly Miles	Avg. Months In Service
Gasoline 2004	0.0713	\$136.33	0.0660	\$141.23	0.0691	\$146.36	2,065	31
Oil 2004	0.0028	\$4.18	0.0031	\$5.42	0.0032	\$6.09	\$19,263	0.2014
Tires 2004	0.0020	\$3.09	0.0047	\$7.93	0.0069	\$14.26	\$389.72	
Maintenance/Repair 2004	0.0067	\$11.79	0.0133	\$27.97	0.0227	\$41.93		
Total Operating Costs 2004	0.0827	\$155.37	0.0861	\$179.77	0.1007	\$206.23		

2004 Operating Costs for 70,671 SPORT/UTILITY VEHICLES							Depreciation Expense for SUVs	
	<24,000 Miles		24-48,000 Miles		48-80,000 Miles		2004	
	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Avg. Monthly Miles	Avg. Months In Service
Gasoline 2004	0.0849	\$171.88	0.0932	\$199.08	0.0915	\$211.50	2,340	34
Oil 2004	0.0025	\$4.77	0.0029	\$5.71	0.0030	\$6.37	\$25,140	0.2592
Tires 2004	0.0018	\$3.44	0.0048	\$9.39	0.0076	\$17.71	\$462.99	
Maintenance/Repair 2004	0.0059	\$10.19	0.0153	\$35.81	0.0288	\$49.19		
Total Operating Costs 2004	0.0950	\$190.16	0.1146	\$247.21	0.1293	\$282.26		

2004 Operating Costs for 72,999 LIGHT TRUCKS							Depreciation Expense for LIGHT TRUCKS	
	<24,000 Miles		24-48,000 Miles		48-80,000 Miles		2004	
	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Cents Per Mile	Dollars Per Month	Avg. Monthly Miles	Avg. Months In Service
Gasoline 2004	0.1229	\$210.79	0.1103	\$219.26	0.1040	\$219.17	2,201	48
Oil 2004	0.0030	\$5.05	0.0031	\$6.09	0.0032	\$6.31	\$20,650	0.1796
Tires 2004	0.0033	\$5.06	0.0065	\$12.71	0.0087	\$17.65	\$358.17	
Maintenance/Repair 2004	0.0114	\$23.69	0.0185	\$37.81	0.0284	\$60.30		
Total Operating Costs 2004	0.1404	\$244.41	0.1376	\$274.17	0.1433	\$301.54		

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