

Quality Changes for 1983 Model Passenger Cars

The value of quality changes for the 1983 model domestic passenger cars included in the Producer Price Index averaged \$107.66 at the manufacturing level and \$128.04 at the retail level. The estimates represent about 49.9 percent of the average increase of \$215.55 in producers' prices and about 48.5 percent of the average increase of \$263.92 in manufacturers' suggested list prices.

These estimates are based on a review by BLS of data supplied by automobile producers for 19 similarly equipped 1982 and 1983 model domestic cars priced in the Consumer and Producer Price Indexes. These estimates of quality change are also used in the Pro-

ducer Price Index for October, when most of the new model year cars are introduced. The estimates of quality change are also used in the Consumer Price Index starting in October.

The \$128.04 estimated retail value of the quality change breaks down as follows:

- \$64.65 for changes to improve fuel economy and to reduce emissions in accordance with current and anticipated Federal standards.
- \$63.39 for other changes not related to fuel economy or air quality standards such as changes for improved warranties and for improved corrosion protection.

Quality Changes for 1984 Model Passenger Cars

The value of quality changes for 1984 model domestic passenger cars included in the Producer Price Index averaged \$91.87 at the manufacturing level and \$110.08 at the retail level, according to estimates of the Bureau of Labor Statistics of the U.S. Department of Labor. The estimates represent about 50.0 percent of the average increase of \$183.65 in producers' prices and about 49.7 percent of the average increase of \$221.70 in manufacturers' suggested list prices.

These estimates are based on a review by BLS of data supplied by automobile producers for 17 similarly equipped 1983 and 1984 model domestic cars priced in the Producer Price Index. These estimates of quality change are used in the Producer Price Index for October. Additionally, these data are used to make similar adjustments in the Consumer Price Index and

in the International Price Program.

The \$110.08 estimated retail value of the quality change breaks down as follows:

—\$58.89 for changes to improve fuel economy and to reduce emissions in accordance with current and anticipated Federal standards.

—A negative adjustment of \$12.09 for revisions to bumper systems in accordance with the relaxed Federal Motor Vehicle Safety Standard (FMVSS) 215 Part 581 Bumper Standard.

—\$63.28 for other changes not related to fuel economy, air quality, or bumper standards such as changes to standard equipment and changes for improved corrosion protection.