



PUBLIC HEARING

before

SENATE LAW, PUBLIC SAFETY AND DEFENSE COMMITTEE

"Motor Vehicle Inspections"

February 4, 1991
Room 407
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

- Senator Thomas F. Cowan, Chairman
- Senator Ronald L. Rice, Vice Chairman
- Senator John A. Girgenti
- Senator C. Louis Bassano
- Senator Joseph Bubba

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ALSO PRESENT:

- Aggie Szilagyi
- Office of Legislative Services
- Aide, Senate Law, Public
- Safety and Defense Committee

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New Jersey State Legislature

SENATE LAW, PUBLIC SAFETY
AND DEFENSE COMMITTEE
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NOTICE OF PUBLIC HEARING

The
Senate Law, Public Safety and Defense Committee
will hold a public hearing on
Monday, February 4, 1991, beginning at 10:00 a.m.
State House Annex
Room 407, Trenton, New Jersey

SUBJECT: MOTOR VEHICLE INSPECTIONS

The purpose of this public hearing is to receive testimony from invited witnesses on the recently announced plans to change the standards and procedures for the motor vehicle inspection system administered by the Division of Motor Vehicles (DMV). Governor Jim Florio has announced that he has accepted the recommendations of his Management Review Commission which conducted an operational review of the current inspection system. The commission recommended replacing the present State/private system with a system of private emissions testing contractors operating from State inspection centers and altering significantly the character and frequency of safety inspections for motor vehicles. In addition to the commission's recommendations, the 1990 amendments to the federal Clean Air Act and the regulations which are being drafted by the federal Environmental Protection Agency require a redesign of the auto emissions testing procedures and the purchase of technologically advanced and costly testing equipment.

The committee seeks to gain from this public hearing an understanding of the recommendations of the Governor's Management Review Commission for changes to the safety inspection and auto emissions testing programs, the new requirements of the federal Clean Air Act as they relate to emissions testing, the changes to motor vehicle inspections which are being considered, or already being made, by DMV in response to the recent recommendations of the Governor and his Management Review Commission, and the time frame within which all the changes are to take place.

Testimony at this public hearing will be taken only from the speakers invited by the committee to appear on this day. Another public hearing will be held to discuss in greater detail proposed changes to motor vehicle inspections and to receive testimony from organizations or individuals who indicate an interest in participating.

The following persons have been invited to testify:

- Attorney General Robert Del Tufo
- Colonel Clinton L. Pagano, Director, Division of Motor Vehicles
- Stanley Van Ness, Chairman, and Michael Scheiring, Executive Director
Governor's Management Review Commission
- A Representative of the State Department of Environmental Protection
- A Representative of the Federal Environmental Protection Agency

The public may address comments and questions to Aggie Szilagyi, committee aide, and persons wishing to testify at a future hearing on this issue should contact Penny Hoffman, secretary, at (609) 984-0231. Persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.

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TABLE OF CONTENTS

	<u>Page</u>
Robert J. Del Tufo Attorney General State of New Jersey	2
Stanley C. Van Ness, Esq. Chairman Governor's Management Review Commission	6
Douglas S. Eakeley First Assistant Attorney General State of New Jersey	25
Colonel Clinton L. Pagano Director Division of Motor Vehicles New Jersey Department of Law and Public Safety	26
Michael J. Scheiring Executive Director Governor's Management Review Commission	27
John Ellston Assistant Director Air Quality Planning and Development New Jersey Department of Environmental Protection	28
Michael Santaniello Deputy Director Division of Motor Vehicles New Jersey Department of Law and Public Safety	47

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SENATOR THOMAS F. COWAN (Chairman): We are about ready to start. I would ask our aide to take a roll call of the members present.

MS. SZILAGYI: Senator Cowan?

SENATOR COWAN: Here.

MS. SZILAGYI: Senator Girgenti?

SENATOR GIRGENTI: Here.

MS. SZILAGYI: Senator Bubba?

SENATOR BUBBA: Here.

MS. SZILAGYI: We have a quorum, Mr. Chairman.

SENATOR COWAN: Thank you. I have a brief statement which I will make to open the hearing, and then I will invite any of the Committee members who wish to make a statement, to make a statement.

Good morning, ladies and gentlemen. The subject of this morning's public hearing is the future of motor vehicle inspections in New Jersey. We have all been reading about changes which may be taking place to both the emissions testing and safety components of the program.

Just a few weeks ago, Governor Florio announced that he has accepted the recommendations of the Management Review Commission for a reorganized inspection program. The Commission recommended reducing the character and frequency of the annual safety inspection and replacing the present State/private system with a system of private emissions testing contractors.

In addition to the Commission's recommendations, it appears that our auto emissions testing standards and procedures must be changed in response to the 1990 amendments to the Federal Clean Air Act, and the regulations being drafted by the Federal Environmental Protection Agency. We have read that this will require the purchase of technologically advanced and costly emissions testing equipment.

We meet today to receive testimony from witnesses invited by the Committee. This Committee seeks to gain an understanding of the recommendations of the Governor's Management Review Commission, the requirements of the Federal Clean Air Act, the value of safety inspections, and what will be the result if they are eliminated; the changes which are planned by the administration for the Vehicle Inspection Program, the fiscal impact of these changes for the average car owner, for the owner of a private inspection station, and for the State, and the time frame within which all of the changes will take place.

I would like to announce, at this point, that we will hold a second public hearing within a few weeks. Any organization or individual who wishes to testify at that second hearing should give their name and telephone number to the Committee aide as soon as possible.

Now I would like to ask any of the Committee for comments. (no response) At this time, we would invite our distinguished Attorney General to come forward. I understand he has an opening statement.

A T T O R N E Y G E N. R O B E R T J. D E L T U F O:
Good morning, Senator.

SENATOR COWAN: Good morning.

ATTORNEY GENERAL DEL TUFO: Thank you very much for the opportunity of being with you this morning, on this beautiful day, to talk about the motor vehicle inspection system. I have a statement which I would like to make to the Committee. I have placed copies of that statement, I believe, on the table to the right.

The Federal Clean Air Act amendments of 1990 require the states to meet more stringent air emission standards than those which had previously existed, and to centralize emissions testing in a manner able to effectively detect whether or not the standards are being met.

For us here in New Jersey, the amendments mean that we must scrap our present emission testing program and equipment and, were we to continue to utilize State-operated emissions testing lanes, to spend enormous sums in capital and operating costs -- possibly as much as \$100 million in capital costs and \$45 million a year in operating costs -- in order to meet the new emissions criteria and testing requirements.

These facts were paramount among those which prompted Governor Florio to request me and his Management Review Commission to evaluate the State's Motor Vehicle Inspection Program and to make recommendations for the future.

A task force, chaired by First Assistant Attorney General Douglas S. Eakeley -- who is here this morning to be of informational and other value to the Committee, along with Colonel Pagano, I believe -- good morning, Colonel -- and Mike Santaniello-- In any event, the task force, headed by Mr. Eakeley, was formed in response to this request. It was composed of representatives of the Commission, representatives from all different facets of State government -- Motor Vehicle, motor vehicle safety, environmental, and the like, and experts from the private sector.

Among the recommendations contained in the Commission's December 21, 1990 report was one which suggested that entering into a contract with a private vendor -- a vendor possessed of the ongoing technological resources and capabilities to stay current, to stay abreast with the state-of-the-art emissions testing and with governmental requirements-- To contract with such a vendor to conduct air emissions testing at State-owned lanes might be, and would be the best and least expensive course to follow. I might add that this is a program which has been accomplished successfully -- this type of approach -- in more than a dozen other states. Such firms also provide enhanced safety inspections which can be integrated into the Air Emissions Testing Program. We would anticipate their providing such service as well.

The means of paying for such a program have yet to be determined. In recent conversations with the Governor he has confirmed, as he has made abundantly clear to me in the past, that his strong preference is for the new system not to require drivers to pay a fee for their inspections, but rather to have the costs met from general revenue sources. We are proceeding with that as our goal and are cautiously optimistic of achieving it. A significant point to be made here, however, is that considerations of this sort are somewhat conjectural, at least at this point in time, because until the United States Environmental Protection Agency drafts and issues regulations later in the year which really define the scope of this testing under the Clean Air Act, we will really have no definite basis upon which to calculate with precision the actual costs of compliance.

Please understand that when the regulations come out, we will have no choice but to comply with them and to pay the price of compliance. We are, and we shall, bend every effort to shape and influence those regulations so that not only will we benefit from the cleaner air we all want, but at the same time we will try to keep costs to a minimum, thereby permitting us to live with the means of securing the clean air benefit.

We do know from the text of the law that the equipment required by the pending Federal regulations will be very expensive. As I stated at the outset, were we to keep our State-run emission inspection system, additional capital expenditures of some \$100 million could be necessary for equipment, and yearly operating costs could balloon to as much as \$45 million. We also know from our research that the equipment and the technological expertise to operate the new, required system is in the hands of four private firms now performing successful emissions tests in other states. Those are the private firms to which I previously referred which are operating successfully in over a dozen other states.

That is a major reason for turning to this type of privatization -- to avoid enormous costs. We would hope to be able to conclude a cost-effective contract with one of these vendors that satisfies the air emissions criteria we must meet, and at the same time provides inspection of crucial safety components.

We want to design a system that gives us cleaner air and safer cars at greater convenience to the motorist and at the greatest possible economy.

Our rough estimate is that the cost of this inspection to private vendors will be \$6 to \$15 per car. Currently, our system costs about \$5 per car, with the money coming from -- part of it from the drivers' registration fees and from State appropriations. As I mentioned before, we are working hard to persuade the EPA to adopt the least expensive equipment to do the job. Obviously, we can't control the Federal decision, but we will do our best to make sure that the ultimate system and its funding are the best functioning and the least costly for New Jersey taxpayers and motorists.

Thank you.

SENATOR COWAN: Thank you very much. Senator Girgenti, do you have any questions?

SENATOR GIRGENTI: I'll wait.

SENATOR COWAN: Not at this time. Senator Bassano?

SENATOR BASSANO: No questions.

SENATOR COWAN: Thank you very much.

SENATOR BUBBA: Mr. Attorney General, on a side issue, I just might let you know-- I don't know if you are familiar with the fact that your words carry the force of law. I mean, I heard that the other day at the redistricting committee, for the first time.

ATTORNEY GENERAL DEL TUFO: Wow! that's an awesome responsibility. I hope people listen to me in the hall.
(laughter)

SENATOR COWAN: Thank you very much, Mr. Attorney General.

ATTORNEY GENERAL DEL TUFO: Thank you.

SENATOR COWAN: Next to give a statement would be Stanley Van Ness, Chairman of the Governor's Management Review Commission. Stanley?

S T A N L E Y C. V A N N E S S, ESQ.: Good morning, Senator.

SENATOR COWAN: Good morning.

MR. VAN NESS: As Chairman of the Governor's Management Review Commission, I am pleased to have this opportunity to explain our recommendations as they relate to the Vehicle Inspection Program and to try to answer any questions which those recommendations may have elicited.

I probably should, initially, tell you something about the Commission. Senator, you know that the Governor appointed this Commission last April. This was the audit people were looking for. On the Commission we are blessed with the presence of former Governor Cahill, Jim Ferland, who is the Chief Operating Officer for Public Service, John Petillo, who is the President of Blue Cross/Blue Shield, Dr. Santiago, who has a degree in social work out of Rutgers University, Howard Williams, a union president, Mr. Brody from the New Jersey Restaurants Association, and myself.

We were fortunate to acquire the services of a number of excellent people, most notably Mike Scheiring, who is the Executive Director. Mike gathered the staff and it was largely through Mike's efforts that we were able to acquire the services of -- and, I might add, the free services -- some of the largest accounting firms in the State. And in addition, a Loaned Executive Program from such companies as Prudential, New Jersey Bell, Jersey Central Power and Light, and others that I should mention, but which are not at my fingertips now.

We have had an estimated \$10 million worth of free service for the citizens of the State of New Jersey. We looked primarily at government as it is and have attempted to make recommendations as to how its services might be improved and in a more economical fashion. We haven't really looked at many so-called policy issues, but we have looked at things as they are and tried to make recommendations as to how they might function better.

One of the exceptions to that, though, was the Motor Vehicle Inspection Program. There were a number of the Commission members who expressed concern initially about how effective that program was and how inconvenient it seemed to be to the general public, and then we started to find out about what the Federal government was going to require of the State of New Jersey and its Inspection Program. I believe it was in early August that the Governor asked the Commission to take this so-called policy issue on. As it evolved a task force was created, chaired by First Assistant Attorney General Eakeley and staffed by some of our Commission staff and with people from DEP and Motor Vehicles to give us some guidance as to how we might proceed in evaluating that program.

After the task force report, the Commission reviewed it and recommended a privatized inspection system, bearing in mind that we are now spending \$22 million directly for the operation of the State system. Bearing in mind that that State system has been found wanting by the EPA under the old Clean Air statute, bearing in mind that serious questions have been raised as to whether we are performing adequate safety checks now, recognizing that the new Clean Air amendments would require the State to expend anywhere from \$15 million to \$45 million in addition, depending on which kind of test is ultimately adopted by the EPA, and recognizing that capital expenses, perhaps in the neighborhood of \$100 million above that, would be required to keep our present system in place

meeting the new standards, we felt, after talking to private concerns and other jurisdictions that are doing emissions testing, that it would be in the best interest of the citizens of the State to do away with the State-run system -- only one other state runs a state-run system, and that is Delaware -- and to go into a contract with a vendor who will provide the kind of expertise that is necessary to meet the new air emissions standards. That was the recommendation we made to the Governor.

We recommended a user fee ranging from \$6 to \$15 per inspection, bearing in mind that our recommendations call for new cars to be inspected biennially, and older cars, of course, would have to be inspected on an annual basis. We recommended that user fee. We have been told by the Governor's Office that while he accepts the direction of our program, the movement toward a privatized arrangement, he is not prepared to go along with a user fee. Of course, there are other ways to fund this program besides user fees. Since the implementation of our recommendation is certainly well beyond our capabilities, it may well be implemented without those user fees.

We think, in many instances, the State is better off doing its own business with State employees. We think there are other instances -- and we believe this is one -- where it is better to go to the private sector for economy and efficiency reasons, and those are our recommendations.

I would be pleased to try to answer any questions you might have, Senator.

SENATOR COWAN: Senator Girgenti?

SENATOR GIRGENTI: Do you want us to ask questions now?

SENATOR COWAN: Yes, you may ask questions now.

SENATOR GIRGENTI: All right. Mr. Van Ness, we've read, really, that the current inspection lanes may be modified and used by a private firm to perform these inspections. Would these lanes be sold or leased for that purpose?

MR. VAN NESS: It could be either. Our thought was that a leasing of the existing lanes would keep the price down for a contract with the vendor. If you are using a vendor to do it, there would be no apparent need for the State to continue to own the lanes, but a lease would be better than a sale.

SENATOR GIRGENTI: How much money do you think the State could anticipate receiving from this?

MR. VAN NESS: I don't know. We don't know. That is certainly on the implementation side. What we would hope is that very stringent negotiations would take place with at least four -- and I understand there may be as many as 15 -- private concerns that are interested in performing this service, and that the best deal for the State would be derived in that fashion.

SENATOR GIRGENTI: In your presentation you said the Governor did not-- He agreed with the idea of privatization, but he did not agree with the idea of going along with the user fees at this point.

MR. VAN NESS: At this point.

SENATOR GIRGENTI: What are the options?

MR. VAN NESS: Well, general revenues would be an option. The \$22 million that is presently spent may continue to be spent somehow to subsidize and reduce the costs. As I say, we thought a user fee would be the best, but that is just a recommendation on our part.

SENATOR GIRGENTI: Okay. The report has stated that the operating budget of the Safety Inspection Program has more than doubled in the last eight years. What do you feel has specifically contributed to this increase?

MR. VAN NESS: I think that an attempt to keep up and improve services has contributed to it, but I think we kid ourselves if we think that what we are doing now is adequate. It is not adequate under the old law, and it clearly isn't

going to be adequate under the new law. Whether it provides the kind of safety that people think it does is certainly an arguable issue.

SENATOR GIRGENTI: You said basically -- I read the report -- there were two alternatives in the report. Were those the only things that were considered, or were there other options there? I know that one was to keep it as it presently exists, or to go to a privatization system with four of these firms that do this at the present time. Were there any other options?

MR. VAN NESS: I should have mentioned that it is our understanding of the new Clean Air Act amendments that the PICS, or the private operators, will really be out of the picture in any event; that the Federal government will require a centralized, computerized system that virtually eliminates the kind of dispersed private examinations that are being conducted on 20% of the vehicles now. And in addition, the cost of the equipment that will be necessary to meet the new standards would greatly exceed the investment that most, if not all, those agencies would be prepared to make.

SENATOR GIRGENTI: The figure you brought out of \$100 million-- That would be to convert our present lanes and system?

MR. VAN NESS: This is a rough estimate, but it would be-- Let's say we kept the system as it presently functions, State-operated. We would have to add to the \$22 million we are spending anywhere from \$15 million to \$45 million in operating expenses. Then it is estimated on top of that to increase the number of lanes that would be necessary to handle that flow-- It could cost as much as \$100 million in addition. We would expect that amount to be built into a private vendor's agreement with the State; that he would take on the capital costs and all of the operating costs as well.

SENATOR COWAN: Senator Bassano, any questions?

SENATOR BASSANO: I'm fine.

SENATOR COWAN: Senator Bubba?

SENATOR BUBBA: No questions.

SENATOR COWAN: Mr. Van Ness, in your report you have a selective bibliography. I was wondering, was there any one particular state or recommendation of a system functioning that was sort of persuasive to the task force themselves?

MR. VAN NESS: Well, Senator, I believe there are now 13 states that are using private enterprise to provide the inspections they do; one nearby, Connecticut. California is doing the same thing; Florida is doing the same thing. There wasn't any one state, but the experience the providers have had in dealing with a number of states convinced the task force, and then the Commission, that there was, indeed, a service out there that we could look to.

SENATOR COWAN: Was it more influence from the way the states are operating, or the way these four or five companies are now working in those states?

MR. VAN NESS: We looked at both, Senator, and we were persuaded that the states that have done it, have done it not at any cost to the safety of the people in those states, that it is functioning well, and that there are enough vendors out there so that you are not likely to become a captive of anyone. There is a substantial amount of competition in the area.

SENATOR COWAN: Thank you. Any further questions of Mr. Van Ness?

SENATOR GIRGENTI: Yes, Mr. Chairman, just one more. Basically the report from the Federal Clean Air Act requires the elimination of the private inspection centers, unless the state is able to show that private inspection centers would be as effective in conducting the auto emissions testing as the centralized system. We have heard that the EPA has approved the retention of the private inspection centers in New York

City. These private inspection centers continue to conduct the auto emissions testing under the new stringent guidelines.

Couldn't the same argument, or agreement-- Couldn't the same agreement with EPA be reached for New Jersey?

MR. VAN NESS: I question whether the New York City operation is consistent with the guidelines the EPA is going to issue. They have not yet issued those guidelines, so I can't imagine how they could be consistent at this point.

The information we have is that the case to be made to retain the private inspection system is so difficult, that no success is predicted. You might want to talk to the people from Environmental Protection who are here today, who can give you more technical help on that than I. We do know that the standards have not been promulgated, and will not be promulgated until summer.

SENATOR GIRGENTI: They won't be for another six months or so?

MR. VAN NESS: Summer is the earliest I have heard, Senator.

SENATOR GIRGENTI: One other question: The Commission's report recommends that greater incentive should be given for self maintenance of vehicles, including dealer warranty checkups and local garage inspections. What does the Commission mean by incentives?

MR. VAN NESS: Well, I think we were concerned about the safety aspect. As I attempted to show, the evidence is not conclusive that inspections have no relationship to safety. There are a number of reports that come to that conclusion. The National Highway Safety Transportation Agency has concluded that there is no correlation between regular inspection and safety, or the number of accidents. There are others that dispute that. The GAO recently has come out with a report that raises some questions, although I think a careful reading of it would not lead one to conclude that they have firmly identified

a correlation. But at least they see that there is some possibility.

With the concern about safety, we did two things: One, we made a strong recommendation to the Governor that the new emissions system contain some safety aspects. There are some machines that are in this mix that can provide brake testing at the same time they do emissions testing. There are other states that have done visual inspections as they go along.

With that in mind, we said, "Well, let's try and build as much of that into the system as is cost-effective and reasonable." But we also emphasized the value that might come from increased public education about managing a safe vehicle. We know what we have been able to do with educational efforts on seat belts, on drunk driving. Those things are there, and I wouldn't underestimate the ability to impress upon the general public the need for safe vehicles. You might also have roadside stops. You might also increase the sanction for having an unsafe vehicle, as we have increased the sanction for driving while intoxicated.

SENATOR GIRGENTI: Part of that, obviously, would be an increase in the penalty for certain offenses?

MR. VAN NESS: Yes. Obviously, that is a recommendation that would have to come through you

SENATOR GIRGENTI: The only other thing I would ask is, you don't know what exactly EPA wants in terms of its emissions testing, but you would like to see incorporated into that program something that would combine the safety element with what right now is mandated by EPA?

MR. VAN NESS: That is our recommendation. Of course, you would have to--

SENATOR GIRGENTI: To test the brakes and tires, like you said.

MR. VAN NESS: Certain things would have to be done by the Legislature. I mean, we couldn't just say, "Do away with

brake testing," for example. That has to come back to this Legislature. It would have to be satisfied that the program to be put into place would meet your perceived need in that area.

As far as the EPA standards are concerned, you are correct. They are not final. There are cheaper versions and more expensive versions and, as the Attorney General indicated, we are hoping to persuade the Federal government that the least expensive version is sufficiently good as to go that route.

SENATOR GIRGENTI: One last thing: If we keep any aspects of the safety program, is that going to add to the \$6 to \$15 we are talking about?

MR. VAN NESS: It could, although this is something that would have to be negotiated out. As I say, there is enough competition for this business that the State could conceivably make a deal where it wouldn't be an element. But I can't really answer your question positively, Senator.

SENATOR GIRGENTI: Thank you.

SENATOR COWAN: Before I ask my next question, Mr. Van Ness, I would just like to compliment you on your responses here this morning, for all of us to realize the very comprehensive understanding you have of this task force. You have done your job well.

MR. VAN NESS: Thank you very much, Senator.

SENATOR COWAN: Now I have almost forgotten my question.

MR. VAN NESS: I thought you were loading me up for a tough one. (laughter)

SENATOR COWAN: In a brief summary, what do you think the Legislature would have to do -- we, as legislators -- to meet with what the task force has recommended?

MR. VAN NESS: As I indicated to Senator Girgenti, clearly some of the safety aspects are legislated; the brake testing is legislated. You would have to make some modification, if you chose to make any modification at all. I

believe the system -- the private direction -- would not require the legislation by this body. It would, indeed, have to pass on budget implications that might be associated with it, either in a negative or a positive way. But I don't think a legislative response would be required to any great extent by way of enactment.

SENATOR COWAN: Most of it can be done through regulation?

MR. VAN NESS: We believe it can, sir.

SENATOR COWAN: Right. You talked about centralization also. Right now I don't know the number you have out there so far as inspection stations, but I would assume it is probably around 32 or 35, or something like that.

MR. VAN NESS: Thirty-nine, I believe, Senator.

SENATOR COWAN: When we are talking about centralization, how are we going to approach that, or how do you think it will be approached?

MR. VAN NESS: We believe you could handle the volume with between 30 and 40 inspection stations, using existing ones, and adding some if necessary. With the ability that a private contractor would have to control work hours, to identify those stations where the volume was not as much as at other places and to regulate staff in that fashion, they could handle that.

SENATOR COWAN: May I infer from that the possibility of perhaps three or four, or two, three, or four contracts being let out to different contractors in the sense that you do regionalize -- say, North Jersey, Central Jersey, or whatever the districts may be -- that you may have several contractors doing the same thing?

MR. VAN NESS: That is certainly not beyond the realm of possibility, Senator. I would expect that the best deal could be obtained from one vendor, with the assurance that he had a large volume to deal with. But that doesn't mean that

the State couldn't deal with more than one. In some respects, it might give you a comparison performance that would be useful as you went down the road. But again, that is an implementation issue that is, frankly, beyond the ken of the Commission.

SENATOR COWAN: It is just running through my mind that might be something that could be worked out for, shall we say, an introductory period, where you might be able to -- where it might be beneficial, very beneficial, and not catastrophic, if it is controlled right.

Thank you very much. Does anyone have any further questions?

SENATOR BUBBA: Mr. Chairman?

SENATOR COWAN: Yes?

SENATOR BUBBA: I have a question. I want to thank you for the work you and your Commission have done on this, and I know you have done a lot of work.

Just a couple of questions: First of all, I haven't heard many people talk about the impact on the gas stations, per se, that do this now. Secondly, I have never-- I don't know that I am enamored, up to this point, with the centralization of anything. I don't know if centralization of anything has really worked. It would seem to me that if you make this fee \$15, and if, just hypothetically, we don't have centralization, we might be able to make other requirements of gas stations.

As an example, if you bring your car to an inspection station, the way they check the brakes is, they get into the car, they run it, and then they jam on the brakes. I don't know that that is a proper method of, you know-- If the brakes don't hold and they kill somebody in front of them, I guess they fail them. If the brakes hold, and they don't hit the car in front, then it is a good brake system.

It would seem to me that if you are dealing with private stations, they could put the car up on a lift. They could take the wheels off, they could check the linings, which I think would be a much better check, if that is really the objective. I am uncomfortable with the fact that that will just summarily take away the right of the general public to go to these gas stations. Has the Commission looked into it? Does the Commission believe the gas stations are inept, that they can't do it?

MR. VAN NESS: There was no thought about any ineptitude on the part of the people who were doing it. The centralization is not something that the Commission thought up as a good idea. The centralization is required by the new Clean Air Act.

SENATOR BUBBA: Can you explain that? I mean, I don't want to put you on the spot. You may not be familiar with it.

MR. VAN NESS: I am generally familiar, but I think there are people here who may be more specifically familiar. It is our understanding that to meet the new Clean Air Act and the regulations that are to come from it, that the State will have to demonstrate that whatever system it has is centrally controlled, that the information that is in the data base is current, accurate information, and unless you can satisfy the new standards by proving to them that it can be done in a dispersed fashion, that you will not be meeting those standards.

So, it really wasn't our decision to centralize. It is our understanding that the Federal government is forcing us to centralize. As far as the stations are concerned, I think there was a great deal of concern about hardship that may be imposed, but again -- and I don't want to do a sidestep on it -- we think that hardship is being imposed by the Federal government, and not by our recommendations.

SENATOR BUBBA: All right. Now, has anyone done any kind of a traffic audit study? In other words, how many cars

now are going to gas stations, as opposed to the centralized bureau -- centralized inspection station, and what would be the impact of centralizing tomorrow morning?

MR. VAN NESS: My understanding, Senator, is that presently 20% of the vehicles -- the six million vehicles that are inspected in the State -- are using the PIC, or the private option. That would leave about 4.8 million vehicles, if my map is correct, using the present system.

If you go to biennial emissions inspections, as we have recommended for cars that are five years or newer, it is my understanding that about 40% of the cars on the road would meet that criteria. So you would be-- Now I will really get in trouble with my mouth. But, there would be fewer cars going through the inspection lines by a substantial number than are presently going through, if you put that into place.

SENATOR BUBBA: What you are saying is that 40% of the cars, or two-and-a-half million cars, will have to go through a second time.

MR. VAN NESS: No, every other year. They would go every other year. Out of two years, they would go once.

SENATOR BUBBA: Oh, I thought you said "biannually."

MR. VAN NESS: Did I? Well, if I said "biannually," I meant to say every two years. I shouldn't have used that word, because I am not that comfortable with it.

SENATOR BUBBA: I appreciate your answers. Thank you.

SENATOR RICE: Mr. Chairman?

SENATOR COWAN: Senator Rice has joined us.

SENATOR RICE: Yes. Please let me apologize for being late -- to the hearing, not to Trenton. I was here early.

I am a little confused. I came in late, but I do understand additional dollars for additional lanes. Given what you just said, why do we need the additional lanes? We're talking more for less. I have a problem with that.

MR. VAN NESS: Well, your emissions check, under the new system, is going to be more extensive than the present check. I am told that studies will show that if you have one stop that is three or four minutes, as opposed to three stops that are a minute-and-a-half apiece, that you are going to back up lanes. That will be, though, the responsibility and the obligation of the vendor to meet performance standards which will say-- I don't know what they will be, but reasonable people will devise standards which say, "You can't keep cars lined up longer than 'X' number of minutes. If you can't do it that way, then you will have to add lanes at your expense, to do it."

So there may be additional lanes necessary, but it will be the vendors' responsibility. I believe Senator Bubba's question was, "Well, how many more cars--" I believe I misled him to thinking there would be twice as many cars coming through, when, in fact, for those that are less than five years old, there would be half as many coming through.

SENATOR RICE: This other question you may have answered, but I am going to have you answer it again for the record. The employees-- What happens to the employees? I still operate in the mind-set of first and last. Do you know what I am talking about?

MR. VAN NESS: I understand what you are talking about. I didn't mention it before, and I am pleased you are giving me the opportunity to do so. There are 550 employees who are presently in the system. That is my understanding. A number of those employees will be obliged to take on some new responsibilities. For instance, the Commercial Vehicle Licensing Program. Some 350,000 people will have to be licensed to operate commercial vehicles. Some portion of that work force -- and I don't know what portion -- will be involved in that new program. There is also a new program associated with insurance verification. Some portion of them will be involved in that.

We would expect that whatever vendor comes in will be looking for an experienced work force, and that some portion of the 550 people will find their way into the new private system. And then, unfortunately, there may be some people who will not find places in any of those three spots, and will be subject to layoffs. Now, I am not sure what their bumping rights are, what other agencies they can bump into, but there will be some of that I'm sure.

But, in the final analysis, I would expect that some people will lose their jobs. Whether it is the first in -- the last in, first out I think you are referring to and the impact it might have on minorities who may have been hired more recently than others, I would have to say honestly that the Commission is not in a position to make that kind of a judgment. It is an implementation activity that I would hope would be sensitive to that issue, as well as to others, in dealing with the work force.

SENATOR RICE: Let me say this for the record, Mr. Chairman: When I came to Trenton in 1986, I came with a commitment to represent everybody in this State. I can recall one of my first days in a session when I raised the issue of participation in something that came before us. I told my Senate colleagues that I did not come as a black Senator. I did not come with the intention of always having to ask questions pertaining to minorities, when some things are obvious in terms of participation.

One of the Senators rose and told me, "If you don't speak on behalf of minorities, who will?" Well, I felt a little turned back because it took us from the time this State began to the present to have two blacks sitting in the Senate at the same time. Those of us who are minorities, and women, and Latinos, thought we didn't need -- we needed our own, but when we couldn't get them, we had nonminorities who were sensitive to our concerns.

Apparently, that has not happened, so I have to take the role, at times like this, and deal with things from the minority perspective. If I look at the history of the State, since I have been here and prior to my coming here, I see that we cannot leave those kinds of things to chance, particularly with the message the Federal government is sending us.

I am supportive of what we have to do to make government work and to get it down to where it is economically feasible, but I am not supportive of anything that is not going to keep the gains and things that we have accomplished over the years. On the Appropriations Committee, I look at those numbers in every department, and I am very much concerned when they give me percentages, and then when I factor the percentages out of the real numbers, there is almost no real growth at all. Then we have to play black and white, minority versus nonminority. I don't like that position, but I will do it, because I got elected for that, too.

So, Mr. Chairman, I am just saying that we, as a Committee, must work with the administration to make sure, regardless of-- I mean, a fight is a fight, and we have to make sure that we don't take any losses across-the-board. I know that some nonminorities may disagree. I am not talking quota; I am not talking that, but I do believe there is such a thing as equity and parity. I think all of us need to realize that we don't want to cause unemployment to anyone. We have the same problem with DYFS, but we are going to deal with that another time.

I just wanted to go on record with that concern I have. I also have a concern with the increased lanes. But the final thing I want to say is, I have moved some legislation for the people I represent throughout the State -- not just in my district. I am very adamant about this legislation. It is called anti-theft devices. I mean, if we are going to start talking about real control of the dollars, those devices have

to be inspected. My concern is, where in the system, you know, if the Governor is so kind as to agree with us, and hopefully he will, and the bill passes and becomes law-- Where would the inspection take place?

You say increase the lanes now, and you say you need more time. I am not an environmentalist to the extreme. I tried to be one, until they started to jerk me around in my district -- the environmentalists. I think there is a limit with special interests. There are no limits with Federal mandates and the sanctions they give behind them. I respect that. But I just want to make sure that if we pass antitheft, there is proper inspection to make sure those devices are there.

MR. VAN NESS: I am not quite sure where to start, Senator.

SENATOR RICE: I know. That is the way I talk, but I figure you can handle it.

MR. VAN NESS: As far as the question of minorities in State government -- and I understand your need to be cognizant of it -- I like to think that I have been cognizant of it. When I had a job that involved my being involved in those things, I was, I think, very much involved.

The job we have now is a somewhat different job. We were asked to look at the operation of State government and to make recommendations as to how it might be improved. That is not to say that we thought it was to be left to chance as to who would be laid off when layoffs occur. That, I think, is something that the implementors must look to, and they must be guided by legislators and others in government who are sensitive to those matters. I would very much hope, personally, that there would be equitable treatment in that area. But that was not the Commission's job. There are other commissions that might be involved in that kind of thing, but not this particular Commission. And I don't mean to be cavalier about it at all, Senator.

As far as the inspection of antitheft devices is concerned, I would have to say honestly that it never occurred to us that that would be part of this process. I understand now that there are no ongoing inspection programs for antitheft devices. Perhaps there should be, and perhaps they should be built into any kind of future inspection system. But I don't think we are making a change from a system which provided it to one that isn't providing it, at this point. I hope that is responsive to your question.

SENATOR RICE: Let me conclude by saying that I do understand the charge and challenge given to the Commission. But this is a public hearing, and I want the public to know, and my Chairman and the rest of the Committee to know, that we have a responsibility, so that down the line when we get to fighting over it, the record will reflect my concerns. If recommendations are coming from a private charge, hopefully all this "talk" of inclusion throughout the years, from both Governors, will start to come to fruition. We should not take our lead from the Reagan/Bush administration. We should take our lead from the people we represent across-the-board. I just wanted to say those things.

SENATOR COWAN: Thank you, Senator Rice.

MR. VAN NESS: If I may speak personally, and not as Chairman of the Commission, I couldn't agree with you more.

SENATOR COWAN: Senator Girgenti?

SENATOR GIRGENTI: Just one last question going on with that. I thought maybe we could talk to Colonel Pagano or Deputy Attorney General Eakeley, but I--

SENATOR COWAN: Senator, what we're doing is just having, as we indicated, the Attorney General and Mr. Van Ness testify with some statements, and then we have a group-- I think maybe-- Mr. Eakeley, did you wish to make a comment? (negative response from audience) No? Okay.

SENATOR GIRGENTI: I just want to follow up on the question that Senator Rice asked. The thing is, it was a question that I thought maybe should be asked to the other individuals. But, of the 550 workers who are presently working in our inspection stations, how many layoffs do you feel will be necessary? Have we come up with a number?

MR. VAN NESS: I can't help you there. Perhaps others with more specific information-- We were dealing with a gross number of 550 presently employed, and some avenues for reemployment or reassignment. But I don't know what the bottom line would be, Senator.

SENATOR GIRGENTI: Will there have to be layoffs?

MR. VAN NESS: It would be my strong suspicion that there would have to be layoffs somewhere. They may be bumped into other places, and other people might have to go. But when you are talking about downsizing, which I think this is about, then the obvious answer is that some people will be laid off. Yes, sir.

SENATOR GIRGENTI: Do we have any way of anticipating if we go into this privatization-- Is there an interest in taking on these people? Are we talking about a good number of them?

MR. VAN NESS: I would think, very strongly, that they would be interested in finding a skilled work force. The people who are presently doing this certainly have a head start on anybody who would be coming off the street to do it. So, I would think it would be a real possibility, and in substantial numbers. It would be my hope that in negotiating with the vendor, that the State would push hard in that direction. It might even be a requirement under the contract for certain numbers to be--

SENATOR GIRGENTI: Would they maintain the same benefits?

MR. VAN NESS: That I don't know. They probably wouldn't. If a private vendor were coming in, he might have a different approach to things. I just don't know.

SENATOR COWAN: We have had the Attorney General and Mr. Van Ness testify. There are a number of other people here also from the Management Review Commission, and also from the departments within the government. We have Doug Eakeley, First Assistant Attorney General, who had the interdepartmental task force chairmanship position. We have Colonel Pagano, Director of the Division of Motor Vehicles; Mike Scheiring, Executive Director of the Governor's Management Review Commission; Mike Santaniello, Deputy Director, Division of Motor Vehicles; and John Ellston, Assistant Director of Air Quality Planning and Development, Department of Environmental Protection.

I would just ask those individuals, if you have the chairs, to move up to the table. Perhaps we can maybe get a statement from you -- a joint statement -- and/or with some questions to follow.

MR. VAN NESS: Am I excused, Senator?

SENATOR COWAN: Yes.

MR. VAN NESS: Thank you very much.

SENATOR COWAN: Thank you, Mr. Van Ness and Mr. Attorney General.

I would like to inform you before we start that, of course, this is all being recorded. When you speak for the first time, please identify yourself by name and position.

F I R S T A S S T. A. G. D O U G L A S E A K E L E Y:
Mr. Chairman, if I might: I am Douglas Eakeley, First Assistant Attorney General. John Ellston, from DEP, is on my far right. Michael Santaniello, Deputy Director of the Division of Motor Vehicles, is on my right. Colonel Pagano, Director of the Division of Motor Vehicles, is on my left, and Michael Scheiring, Executive Director, Governor's Management Review Commission.

Everyone at this table participated in the deliberations of the task force that came up with what I think is relatively rare for government, namely a consensus not to preserve the status quo, but to change it in a fairly dramatic way. That led to a report that was submitted to the Governor's Management Review Commission, but was, in turn, adopted and recommended to the Governor.

I think the Committee, through questioning and the prepared statement of the Attorney General and Mr. Van Ness' testimony, has gotten a pretty broad perspective. I am not quite sure how we can add to that by way of prepared testimony. We have also submitted the report of the task force and the GMRC to the Committee. However, I think that perhaps the easier way, depending upon how the Chair would prefer proceeding, would be if we could just answer whatever residual questions there might be.

SENATOR COWAN: Well, I would first ask, Doug, if any one of the people present have anything they feel they would like to convey to us at this point in time that could be--

COLONEL CLINTON L. PAGANO: I think the one thing in response to Senator Rice is, in the report itself, and in everything we have discussed, we have that concern over preserving the work force as best we can. That has been the position of the Commission and the position, really, of the administration.

SENATOR COWAN: Thank you, Colonel. It has been brought to our attention, too, of course, that we failed the last two audits -- the EPA audits.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: We have, I might add--

SENATOR COWAN: With that--

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: I'm sorry.

SENATOR COWAN: --having failed those last two audits, do we here stand any chance of a rather adverse effect on any type of Federal funding?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: We do. We have a State Implementation Plan that has the effect of law, with which we must comply. That plan precedes the Clean Air Act amendments of 1990. We are not in compliance with that plan at the moment. Mr. Ellston, on behalf of DEP, and others, have been negotiating with Colonel Pagano and the Federal EPA to bring us into compliance with what you might call the "old plan."

Part of the problem with coming into compliance with the current plan, is the failure rate of the private inspection centers. We have roughly an 80% failure rate of automobiles going through those centers on a covert audit basis; cars being sent in without catalytic converters, which are nevertheless inspected and passed. That is part of the problem, along with the data collection problem which Mr. Van Ness referred to before, that has led the Federal EPA to say, "We have a strong preference to go to a centralized system," and, indeed, makes it very unlikely that EPA, in devising these new regulations, would permit us to go with as expensive a system of private inspection centers as we have now.

SENATOR COWAN: The next question following--

M I C H A E L J. S C H E I R I N G: Senator, I might add--

SENATOR COWAN: Yes, excuse me.

MR. SCHEIRING: Mike Scheiring, Senator.

SENATOR COWAN: Mike, go ahead.

MR. SCHEIRING: I just might add that from the Commission's point of view we are hopeful that as far as reinspection that there may be some role to be played by the PICS. Frankly, I think one of the concerns the Commission had, though, because (indiscernible) as the new standards are, is that that equipment may be very, very expensive and perhaps cost prohibitive for the PICS to be involved. But we would hope that there would be some role that they could play, if they so chose, in the reinspection aspect.

SENATOR COWAN: Are you speaking now of bringing the present system up to par?

MR. SCHEIRING: I'm talking about the proposed new system.

SENATOR COWAN: The new system, okay. Have you been given any type of a mandate from the Federal government as to compliance, when you have to be--

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: We are in a continuing dialogue with the Federal EPA and DEP and Motor Vehicles. I think it is fair to say that by virtue, in part, of the recommendations of the Governor's Management Review Commission and other steps the State of New Jersey has taken, we are hopeful of getting ourselves into as good a position as we can to negotiate the next plan with EPA and on terms more favorable to the State of New Jersey. So, this is an ongoing process and dialogue. We prepared a response to the last EPA audit. We have also stopped licensing new private inspection centers because of EPA's resistance to that. We have taken steps to upgrade the current data collection system as well.

Perhaps since Mr. Ellston is the one who deals most directly among all of us with EPA, you might want to hear directly from him about his assessment.

J O H N E L L S T O N: Thank you, Doug. First of all, the Clean Air Act was just signed into law November 15, 1990, so it is very early on. In fact, the annotated version of the Act is still not out as yet, but it is expected very shortly. The Act calls for guidance within one year. EPA has promised us that it will be available by May of this year. We have been working with EPA to find the conceptual understandings of what the Clean Air Act requires as far as auto inspections.

I would like to say one important thing here, though, as to why inspection is very important to the Environmental Protection Agency, as well as ourselves. About 10% of the cars in the State contribute over 50%, or more than half of all the

pollution in the State from motor vehicles. The idea is how to identify those vehicles, how to repair those vehicles, and how to verify that they were repaired correctly. I think that those three aspects are important in the system. This is what EPA criteria will be building upon, the specifics of that, and why they are looking, for example, at data reporting, why inspection ought to be a condition of registration, and why other more precise instrumentation is necessary.

Although the specific details are not available as yet, this information will be coming out shortly. But it is that criteria which will be hounded very importantly in the next several months when we do talk with them.

SENATOR COWAN: You mentioned being responsible for 50%-- Did I understand that correctly?

MR. ELLSTON: Over half of the pollution comes from a small segment of the vehicles.

SENATOR COWAN: This is what, emissions, exhaust emissions, that you are talking about now?

MR. ELLSTON: That is correct.

SENATOR COWAN: With this inspection of the emissions, has it been looked at as far as leakage and other spillage, etc.? Has that all been taken into consideration, too?

MR. ELLSTON: When we add that component--

SENATOR COWAN: What I am talking about now is, you may have a car pull in there that has a very serious leak from its hydraulic brake fluid, or Freon coming out of the radiator.

MR. ELLSTON: That aspect, and gasoline just evaporating from the gasoline tank. That component would be added on, so it is probably even more so. This is why we are particularly concerned with automobiles. There are 4.8 million motor vehicles in the State. Each one maybe doesn't add up to much, but when you add them in their entirety, particularly the (indiscernible) population, it becomes the vast majority of the air pollution in the State of New Jersey.

SENATOR COWAN: Has that been looked at so far as what you're programming for the new Federal standards -- so far, like I say, as leakage or any type--

MR. ELLSTON: It is one of the components.

SENATOR COWAN: It is one of the components being considered?

MR. ELLSTON: It is one of the components that will be considered under the implementation plan that the committees will be looking at next.

SENATOR COWAN: Because it is not only the damage it leaves in the inspection stations, but out on the highways, right?

MR. ELLSTON: That's right.

SENATOR COWAN: It is a safety factor also.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: One of the frustrating parts for us about this process is due to the fact that we now have a new Federal statute that we know will impose major new requirements on our State, without any Federal support for those requirements. And yet it is left entirely to the Federal EPA to develop the guidelines and regulations that will spell out precisely what kind of tests, what kind of equipment, what kind of costs, how to proceed, and the extent to which we can work into the air emission testing the safety inspection functions that we also want to preserve.

So, where we have a pretty clear sense of the direction we would recommend the State of New Jersey to adopt, we can't tell you precisely how we can get from point "A" to point "B" today, and that is because, unless and until we hear from the EPA about which types of tests and the like, we really can't start to scope out a full implementation strategy that would give the Committee and, indeed, the State the very specifics of how this will affect them.

SENATOR COWAN: Undoubtedly, from what I see before the Committee here this morning, you are not becoming, shall we

say, frustrated in achieving your objectives. I would just suggest that if at any time in the near future you may, I would then refer you to Colonel Pagano, because he just went through a series with the commercial driver's license.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: And very well, I might add. One of our major accomplishments this year was that program, which, as you know, is in the in phase.

SENATOR COWAN: Senator Rice?

SENATOR RICE: Let me, first of all, for the record and for the administration, share a relationship with you that disturbs me with State government, if the Committee will bear with me.

I have been on the National NLC Energy and Environmental National Resource Steering Committee -- not policy -- for the last eight years as a city councilperson. I have yet to hear the State come to me, because, as you know, if the NLC passes policy, if Congress and the President adopt it, it becomes national policy. We have been fighting these issues. I have yet to have the State come to me, in eight years, to say, "Look, you need to try to get this through committee and get support from NLC as a policy consideration."

This year I will probably be Vice Chair of that committee, and I would also Chair the subcommittee on energy. So my suggestion is, take advantage of me while I am here this year, because next year I will do something else.

My question is, or at least the issue that concerns me is this 10%. You know, what you are really talking about is carbon monoxide and ozone problems. We are talking about where the bill indicates that we need to reduce, or just eliminate the impact. But we have non-containment areas in the State of New Jersey. So when you are talking about 10%, when you go into Hudson County, and you go into cities like Newark, we know for a fact that you are never going to reduce those numbers down to where they should be.

Now, I know the legislation, based on some of the things we have done collectively, is kind of saying, "Well, give it your best shot." My concern is that, I don't know what other states are doing relating to contracting out and just taking away people's jobs. That is the sad thing about environmentalists, the impact they have on government. To me, they are somewhat selfish. We are either going to breathe that stuff, drink it, eat it, or do something. It is going into the air, the ground, the water, and it is going to get to you. We have to decide which way we want to die and how quickly.

But, what are other states doing? Do you have any data in terms of contracts and the effect of them? How many are moving in this direction? I would appreciate whatever information you can give us. If you don't have this information, maybe, through the Chair, we could request that it be sent to us.

Then, my question to the Colonel, if he can answer it, is: Do you have any concern about the safety aspects of it? I mean, it is nice to become environmentalists, but I am just as concerned that-- A few weeks ago my wife's car got totaled really bad. Someone hit her. Hopefully, the old car was in great shape, you know. We have this insurance where they don't tell you anything. They just tell you to pay. I don't know the condition of that 1976 Chevy that hit her. Was it safe? Were the brakes too low? I don't know. So I am concerned about the safety factor, too, when we talk about the trade-offs. And I am not hearing a lot about that.

I really don't like contracts. They are good politically for some people, but I think from a cost benefit analysis, sometimes it is cheaper to spend \$2 million than \$1 million, if you are going to put those other variables in there.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Let me try the first half of that, Senator, and then defer to Colonel Pagano.

As to the statistics, we don't have any statistics on performance yet under the new Clean Air Act amendments because they are still awaiting regulations. We think -- we are pretty sure -- that they are going to come out requiring some pretty sophisticated testing equipment and procedures that are in use in several different states. Those are all in use in private vendor contracted air emission testing systems.

We have looked at three of the four major players who are in the business of safety inspections and air emission testing. We have actually visited some of the states. We have films from each of the locations showing their operations. In terms of air emission testing, clearly the private higher tech approach is where most of the states are going that need to come into compliance with the Clean Air Act.

With respect to safety inspections, there is more of a trend there. The trend is this: In 1973 -- or 1976, I can't remember when -- the Federal government withdrew any requirements for federally required safety inspections. Since that time, 11 states have withdrawn from the field of providing safety inspections. There are only two states in the United States currently that provide government provided safety inspections -- New Jersey and Delaware. Our Safety Inspection Program has been criticized by the National Highway Traffic Safety Administration and others as not being adequately funded to do the types of safety inspections that can, and should be done. I think Senator Bubba was referring to some of that before.

Again, the same firms that are providing the air emission testing state-of-the-art technology and methodology are also in the safety inspection business, and they are doing that at levels that we cannot afford to do on behalf of the State of New Jersey. We tried to do as much of the cost benefit analysis both with respect to air emission testing and safety inspection as we could, without having the precision that comes with the regulations that we don't have.

I didn't mean to speak on behalf of the Colonel, but-- If I may, I am the new boy on the block here, but I was just terribly impressed by Motor Vehicle Services' own estimation of what it would require of this State agency, which is on the firing line day after day, not only to come into compliance with the new Clean Air Act amendments, but also to upgrade its safety inspections. Perhaps the Colonel can address his perspective on that.

COLONEL PAGANO: I think Doug has done a good job, really, of capping what I would say. This report, and the discussions we have had to this point, have not overlooked safety inspections. Safety inspections are ingrained in the minds of New Jersey drivers. We have not abandoned that concept at all. How it can be worked into the new program, has yet to be determined. But it has not been abandoned.

In the inquiries that come to Motor Vehicles, the prime concern still remains, in the minds of those inquirers, "What are you going to do with safety?" This has yet to be determined, Senator, but it is not being overlooked.

SENATOR RICE: Thank you, Mr. Chairman.

SENATOR COWAN: Senator Girgenti?

SENATOR GIRGENTI: Maybe the Assistant Attorney General or Colonel Pagano can answer this: Do the plans for eliminating the annual safety inspection include an increase in the random roadside checks?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: That is correct.

SENATOR GIRGENTI: At the present time, with the 1%, is there any thought of making an increase in the number as a result of this, if we move in that direction?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: That is one of the options, yes, along with the changing in the incentives positive and negative to motorists.

SENATOR GIRGENTI: In general, what are the results of these random roadside checks? Do we have any information on how many vehicles fail? Do we have any data on that?

COLONEL PAGANO: There is a high percentage of failures, but those kinds of random roadside checks are somewhat akin to the kinds of random roadside checks you have in the trucking area. The officers waving the cars in are experienced enough to know that they are going to wave in the cars they suspect of being unsafe first. So those percentages, although they are high, are relatively inflated because of their observations.

SENATOR GIRGENTI: Are there any annual reports that you do on this?

COLONEL PAGANO: Yes, there are reports.

SENATOR GIRGENTI: Could the Committee be provided with them?

COLONEL PAGANO: We can make them available to you.

SENATOR GIRGENTI: In your opinion, are random roadside checks more effective than annual inspections?

COLONEL PAGANO: I don't know that I have an opinion. I know they are both effective. They are designed to work hand in hand, really, to accomplish safety on the highway.

SENATOR GIRGENTI: So, if you foresee this system taking place with the privatization, you would see a lot more of the roadside checks, in your opinion, as a result of it?

COLONEL PAGANO: Yes.

SENATOR GIRGENTI: All right. If safety inspections would no longer be conducted by the State, and there would be an estimated \$6 to \$15 user fee on auto emissions testing, will the Division stop collecting the \$2.50 in each Motor Vehicle registration fee which now goes to the inspections? If not, what will the fee be used for?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: If I may take that in segments, Senator-- First, we are not advocating

that the State or the vendor provided servicing on a centralized basis get out of safety inspections. What we are saying is, we have to wait and see what kind of air emission testing is required, to see what we can integrate into that. We are, in fact, quite optimistic that the major upgrades in testing for brakes and tires will be able to be accomplished with that air emission testing, in part because the equipment is very compatible and it can be done on the same line.

Secondly, we will keep the visual parts of the test during the air emission testing such as windshield wipers and lights. So we will keep that segment to begin with. And, as the Attorney General indicated in his remarks, the Governor has expressed a strong preference to exploring all ways to accomplish the enhanced air emission testing with the safety inspection, without imposing any user fee on the motoring public. It is too soon to tell for sure. We certainly can't guarantee it, but that is the direction of our marching orders.

Now, answering that question first, how much will it cost, how can we accomplish it, precedes, I think, the last segment of your question, which has to do with the \$2.50 currently being taken out of the registration fee, although I might add that that is only half, or less, of what it costs the State of New Jersey to provide the current inspections. That is much less than perhaps 10% of the average cost to the motorist going to a private inspection center.

It sounds like a dodge. I am not trying to dodge your question. I am trying to address it. But I guess I'm saying, we really can't answer the tail end of the question, what happens to the \$2.50? But I can see, for example, taking that revenue stream and allocating it to a subsidy for the private vendors, thereby reducing, or if not hopefully going part of the way toward eliminating the need for a user fee.

SENATOR GIRGENTI: What do we presently collect as a result of that? Do you have any idea -- the \$2.50 paid?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Well, we have six million motorists going through -- or 5.2 million.

SENATOR GIRGENTI: All right. Now another, maybe my last question is, has the Division-- Have you seriously considered implementing a new emissions standard and procedure through our current system, you know, that is with the combination of the State and private inspection stations? I heard here before that you just don't feel that it could be economically feasible. Is that what you're saying -- because of the upgrade it would take?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: The answer to the question, first, is, yes, we seriously considered it. We agonized over it. It would be much easier upgrading what we do now, rather than advocating something quite different. But we seriously considered it, and came to a strong conclusion, representative of a strong consensus of a fairly disparate group, that we had to go about it in a different way.

Cost-effectiveness, yes, is one of the things. The capacity of State government to keep up with advances and technology and managerial expertise, our ability to fund research and development, all these things we think come up short when government is required to step in and provide this service. We think that adds to the private sector-- That is why the private sector represents a better solution.

Finally, EPA itself has told us that they have a strong preference for a centralized system, and the Clean Air Act amendments virtually mandate going out of the private PICS, unless we can demonstrate that they are as effective. That is the statutory phrase. Given the track record thus far and EPA's resistance to a network of 3900 PICS, we don't see much likelihood at all that EPA is going to go for something like that.

SENATOR GIRGENTI: Okay. Then what will happen to the investment that the private inspection centers have made in

purchasing these emission analyzers at the present time to do the private testing?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Well, the equipment that was utilized for those tests is now obsolete and it costs roughly \$5000 for testing equipment. We are talking about maybe \$60,000 worth of equipment being required in order to get to where we come out. But, as far as we can determine, the investment has already been written off and has been recaptured through the permitted fees.

As with the State workers, we are very sensitive to the fact that this relatively radical shift in Federal policy is going to mean disruption to New Jerseyans. We have included a recommendation where we look at the utilization of garages for reinspection centers. There may be an opportunity to have some -- much fewer than, but still some -- private inspection centers doing some of the--

SENATOR GIRGENTI: Do you see them doing reinspection as a follow-up? Is that what you have in mind for them?

SENATOR COWAN: Senator, try to make this as brief as you can, because we have others with questions.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: The answer is, "Yes."

SENATOR GIRGENTI: Then the last question I would have on this is-- I know I asked it of Mr. Van Ness, but maybe you or the Colonel can shed more light on this. Of the employees that would be eliminated, so to speak, do we have a number? Are we talking about a number? There are 550 employees. Does it look like they could get employed by this privatization program? Is that part of our overall program?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Actually the number is 550, but we will be down, we expect, by the summer to 480. Some private vendors have already expressed an interest in hiring some of our safety specialists, but, no, we don't have a number.

SENATOR GIRGENTI: All right. In these random roadside checks we would be able to use more-- Obviously, if you are going to do 10% instead of 1%, you would be using more people.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: More people, as we will need some people to monitor the performance of the private vendors. We have some flexibility there.

SENATOR GIRGENTI: Do you feel that attrition would take care of this, or do you feel there will be layoffs?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: More so if we didn't have the recession we are in.

SENATOR GIRGENTI: Thank you.

SENATOR COWAN: Thank you, Senator. Senator Bassano?

SENATOR BASSANO: It is my understanding that last year you inspected about 24,000 school buses. They were done at the public inspection stations. The report that was issued didn't mention anything with regard to school buses. Does this mean that the school buses are going to be left to self inspection? How are we going to address that problem?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: We're working on a major new review of school bus inspection, both safety and air emission. Incidentally, heavy duty diesel vehicles are also under scrutiny for a new inspection program. School bus safety is something that is constantly under review. It has gone up to just the top of the priority list, as far as we are concerned.

COLONEL PAGANO: Your figures are relatively correct, Senator. In addition to inspecting them, we took some major steps in the past year to bring school bus companies into compliance, companies that had been revoked for long periods of time, yet really had never improved the way they should have improved.

The Federal Act contemplates continuing school bus safety checks. Our plans will continue school bus safety

checks. Exactly how that is going to be accomplished, though, has not as yet been determined. At the lanes, we have had no discussion about self inspection.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: I think it is fair to say-- I think what you can expect to see is an upgrade of what we are currently doing.

SENATOR BASSANO: I have to admit that from what I am hearing, this is almost like listening to a briefing on the war. There are so many areas that you are just not sure are reported in the case of the war. It is sometimes a little bit frustrating. Maybe you are here a little bit prematurely, because there are a lot of questions that still remain to be answered.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: That is one of those difficult questions: When is too soon, and when are you too late?

COLONEL PAGANO: We are really not premature, because although the EPA guidelines are not clear at this point, the development of the State implementation plan of the Clean Air Act is of long-standing. We are somewhat ahead of the new regulations possibly. We certainly are not ahead of what is required of this State, and has been required for some time. We are working, as the General said, in cooperation with DEP. But this is an ongoing process. It is a developmental process. Although the greatest emphasis, obviously, in the ozone area is on the automobile, there are many, many other environmental questions that have to be answered in order for the State to come into compliance with the Federal Act -- the old and the new.

SENATOR COWAN: Senator Bubba?

SENATOR BUBBA: Yes. I guess it was-- I don't know, was it you, Doug, who said that it is a little frustrating that the Senate passed, or the Federal legislature passed rules -- passed a standard, and the EPA has not developed the rules

yet? (no response) Well, that is what we do in the State of New Jersey, you know, with DEP. We pass general concepts, and then DEP makes rules that we don't even want to get near.

The thing is, as Senator Bassano said, I am a little confused. I gather from the discussion that we all know that we've got to go someplace, but we don't know exactly where we're going or how to get there. Are we headed for strictly-- I gather from one part of the discussion-- By the way, I am not being critical of you. I think everyone here is trying to do as good a job as they can under the circumstances. Are we headed toward just air quality? Are we headed toward air quality with some semblance of safety, but we don't know exactly what?

Some of the things we talked about with respect to safety could be observed by police on the highways visually -- lights not working, etc. We could develop a ticketing process that would, in effect, place people on guard.

One of my questions was: How much is the cost of a machine? You said, "Somewhere in the neighborhood of \$60,000." I don't know that I am so impressed with, as I said before, the fact that centralization is the answer. In fact, if there is an answer, it probably, in my opinion, is not centralization. If \$60,000 be the number-- You know, if you do a little bit of math, \$60,000 would amount to 6000 at 10 bucks a car, and we know we are going to get 15. But let's say \$10 a car. That would amount to 6000 cars over 200 days a year. That would be about 30 cars a day would amortize the cost of equipment in the first year. If we are in business, let's say, and we want to amortize over five years-- So, there is a way for private industry to be active with it.

I think the danger, if there is a danger with private industry, or private gas stations, let me call them, as opposed to centralized private industry, is that somebody doesn't really do the job that they are being paid to do, or somebody

is hiding, or just putting stickers on, and charging the 20 bucks, or whatever they charge, and not really doing the testing. I think that situation exists in the world on any level. We might develop a method of going after those people, or a method of solving the problem.

It used to be that I was the newest Senator. Now I am here 10 years. Years ago I could recall the newspapers waiting in inspection lines and getting failed at one inspection station -- State station -- and then going to another one and passing at the other one. So, there have been problems with the inspection stations for a long, long time.

Again, I say that I appreciate the work that everybody has done. I am not trying to minimize the work, but I am trying to give you a sense of some of the feelings I know I am getting. I am not even talking about the employees who are obviously going to be losing their jobs. I think what we have to do is take a deep breath and back off a step; stay on top of the situation, but try to guide the EPA with respect to how they are going to come out with their regulations, as much as the Legislature would like to guide DEP when they come out with their regulations as far as wetlands, and things of that nature.

I really think that this is such a dynamic move, that it is going to affect everybody in the State of New Jersey. It is just not something that is going to affect you and I overnight, or some of the big guys, and leave the little guys alone.

There was also a process -- I am not asking a question; I guess I am just trying to give you my input -- we used, and are still using today, if I am not mistaken, whereby trucks are inspected at the shop wherever their company is located.

COLONEL PAGANO: Self inspection.

SENATOR BUBBA: Self inspection, okay. I haven't heard anything about that. I mean, I saw some articles in the

paper. I would like to hear from the Director, at some point in time, maybe not today, but, you know, when we have a hearing again. Can self inspection be utilized, and to what extent? As an example, I work for New Jersey Bell. I would presume that if New Jersey Bell or Public Service or companies like that were authorized to self inspect, you wouldn't find them unwilling to do it, and doing it poorly, as opposed to maybe another operation that might want to try to save some money by not doing it correctly. So I think there is an awful lot for us to look at.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Self inspection is out with respect to air emission testing for private passenger automobiles by Federal law. We are looking at self inspection of heavy duty diesel vehicles, and we will be back. You will be hearing more from us about what, if anything, we are to do about particulate emissions. That is the particular problem with diesels.

But, as to the centralized system, we are doing everything we can to preserve our options and maintain as much flexibility as we can with the Federal EPA, so that we can design a system and implement one that benefits New Jersey. The direction of Federal policy is to go central. There are some ways to minimize the risks of centralizing -- overly centralizing. One is to keep some private inspection system, if we can. Another is to retain control over the State lanes and have as good a contract as we can. We contemplate going out on a request for quotation, working into those quotations performance standards and specifications that would permit us to go back to the vendor, if the lines got beyond five or ten minutes in duration, or if there wasn't adequate performance being assured.

That is something we can do to safeguard the public interest also. Maintaining ownership of the lanes means that we have more ability to get rid of one vendor and bring in another if it doesn't work.

Thirdly, we've got new equipment that really reduces the margin for human error to a fraction of what it is now, so you do get much more of an opportunity for uniformity error free, conducted by private vendors who are not potentially involved in a conflict of interest because they are not in the repair business as well, one of the criticisms that the public has had at times with a totally private inspection center system. People like the State lanes. Eighty percent of the motoring public go to our State lanes now, in part because of that preference.

SENATOR COWAN: On the emission testing, there will be no exemptions?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: For?

SENATOR COWAN: Everyone is required to have the emission testing--

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: With the exception of the--

SENATOR COWAN: --under the stipulations set out by the State at the State-operated, or contractor-operated facility?

COLONEL PAGANO: That is correct, as currently contemplated.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Except that you have the possibility of going to an every-other-year testing for cars that are five years old or less.

SENATOR COWAN: Yes, but everyone is required, regardless of how often they have to go.

COLONEL PAGANO: That's right.

SENATOR COWAN: Senator Bassano?

SENATOR BASSANO: Senator Bubba was talking about self inspection for trucks -- heavy trucks. Isn't it a fact that the Federal government is now requiring heavy trucks to be inspected and stickers to be placed on the window, or someplace that is visible?

COLONEL PAGANO: That's a voluntary program. That is a program that has been adopted by most states, but not all. That is a roadside inspection, but self inspection and roadside -- with a roadside component.

SENATOR BASSANO: My understanding was that heavy trucks were required to be inspected in New Jersey, and that a sticker was supposed to be placed--

COLONEL PAGANO: I am trying to think of the name of the program, but it escapes me.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: But it is not mandatory.

COLONEL PAGANO: No, it is not mandatory. We just entered the program. It is an interstate program. We entered the program shortly before I left the State Police.

SENATOR BASSANO: Except if you are carrying hazardous material or anything of that type. Then it--

COLONEL PAGANO: Hazardous material is an entirely different situation. Then there is a requirement by a Federal act.

SENATOR BASSANO: Has any thought been given to taking that Federal program and mandating it for all trucks?

COLONEL PAGANO: That is part of what we are looking at right now with the amendments to the Clean Air Act -- an emissions testing, as opposed to safety. Now, the program you are talking about, Lou -- Senator -- is a safety program. It has nothing to do with emissions.

SENATOR BASSANO: You would tie the two in together, though?

COLONEL PAGANO: We would tie the two in together.

SENATOR BASSANO: The other thing is, I am concerned about the so-called spot checks that have been discussed here. I know from the little bit that has happened in Union County with the spot checking system when the State Police set up a barrier and pull cars in, that I get a lot of negative reaction

from the general public. People say to me: "I have a doctor's appointment. I left 15 minutes early, and now I am pulled over to the side, and I'm 45 minutes late, or a half-an-hour late for my appointment." It is something I think you are going to have to look at because, while the annual inspection system itself is, at times, annoying because you are waiting in line for a long period of time, spot checks can be even more annoying when people have planned their day and then this comes along and disrupts it. It is something that I think you ought to look at.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: It is part of our State implementation plan that we conduct at a certain minimum number of roadsides a year. I must say, nobody likes the spot check, but there are ways of doing it, and there are ways of doing it.

COLONEL PAGANO: You know, there are many other reasons for those checks. Those checks are essentially leaning toward the State implementation plan. We have nearly a half-a-million uninsured motorists on the highway who have to assure the State of their insurance requirements at the inspection station once a year. When you have a high percentage, or a good percentage of your cars on the highway not registered to begin with, those roadside checks, although from time to time being inconvenient, are still a necessary part of what we have to do to make sure that everybody carries their end of the load here in New Jersey.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: There is no new generation of equipment that offers the capacity of testing on the road vehicles in operation for compliance with air emission quality controls. That will reduce the randomness of the checks, if we ever get that into place, and therefore reduce the resistance, I think, to the kind of checks we are required to do.

SENATOR COWAN: In the matter of time, presently with the emission testing, how long does that take, and how long is it anticipated that the new testing will take?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Michael?

M I C H A E L S A N T A N I E L L O: Do you mean per vehicle?

SENATOR COWAN: Right.

MR. SANTANIELLO: Right now, if you just take that emission testing performed and isolated in the lanes, you're talking about anywhere from 60 seconds to sometimes a minute-and-a-half. The new one, we really won't know until they come out with the new tests. It could have, depending upon what tests EPA comes out with, a very significant impact on what you call throughput, how many vehicles you can get through the lane per hour. Some of the tests that are being talked about could increase -- or, decrease throughput significantly; others could keep it roughly about the same as where we are right now. We really won't know until EPA tells us the specific tests.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: We have heard also that there may be a test for anti-tampering with pollution control devices, or that there is another solution for that as well. Is that right, John?

MR. ELLSTON: That's right. Once you stop a vehicle and in the meantime you open the hood, for example, to see if there is something there, or not there, that is where it takes time in the test. Of course, the time it takes per test will slow the lane down. That is the critical key, to answer some of the questions we heard from the panel. That timing becomes critical. That is one reason why driving the vehicle on some rollers, for example, might be more beneficial than perhaps opening the hood of a vehicle. There might be some trade-offs we can do that can optimize the timing of the test, while not losing the quality assurance of the test.

SENATOR COWAN: Well, gentlemen, I certainly want to thank you. Perhaps I could just ask one question to try to get a brief summary from you of what we have tried to do here today, how far we think we have gotten, and what we really understand.

The point is: What do we test for now on the emission testing, and what will the new regs require? I'm sure you are aware of what they will require.

COLONEL PAGANO: No, we're not. We are not completely aware of what the new regs will require.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: There will still be tests for carbon monoxide and ozone.

MR. ELLSTON: There are still the same two pollutants.

COLONEL PAGANO: But different test performance standards will be required. We check to see that each vehicle has a catalytic converter. That is required by law. Conceivably they could pass the emissions test without the converter, but we have to check to make sure that it's there.

SENATOR COWAN: They could today, or even in the future?

COLONEL PAGANO: That's today.

SENATOR COWAN: Today, not with the new--

MR. ELLSTON: In the future, that plus other components. Some of the things we mentioned, Senator, the evaporation of gasoline, the leakage aspects, would probably be part of the test. The idea of tying that inspection to a registration, for example. A key element of enforcement would be tied to that test, and various other aspects, other components.

For example, right now we do not test for other pollutants, oxides or nitrogen. But by looking at the component we would know whether that pollutant were to be controlled or not be controlled. That might require opening the lid or not opening the lid.

SENATOR COWAN: So actually, it is increasing-- By increasing the percentage, so to speak, under the new testing, it is raising the level of whatever--

MR. ELLSTON: The performance level, yes.

SENATOR COWAN: The performance level. By raising that level, then it will identify other pollutants. Is that correct?

MR. ELLSTON: And the efficiency of that vehicle.

SENATOR COWAN: Right.

MR. ELLSTON: Incidentally, one aspect of that is: Starting in 1995, vehicles will be manufactured with things called "on-board diagnostics." These are space age components that will actually see if the other components are working. The new equipment would hopefully plug into the system and be able to tell the motorist -- perform a very good service -- that there are some components actually wrong with it, and that these components should be checked at the service station later.

These are the types of foreseeable alternatives we are looking at for this new system.

SENATOR COWAN: Just to get back to the-- See, the general public out there, from what I have been getting back -- and I think what most of the Committee has been getting back, too-- The general public is now paying for the system under that \$2.50, and they are going to be paying more with the new system, anywhere from \$6 to \$15. Yet what you are saying here today is that the Governor is opposed to any increase. Did I understand that correctly?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: That is correct. Although it costs us more than that \$2.50 that is allocated, the balance is made up out of general appropriations. Then, of course, 20% of the motorists go to private inspection centers as it is. But the Governor's strongly declared preference is to develop an implementation strategy that will avoid the necessity of imposing any user

fee, as recommended by the Governor's Management Review Commission, on the motorists.

SENATOR COWAN: Again, going back to the machine itself, what is this machine like as compared to the existing machine in size and in cost, because we have heard all types of costs here? You quoted, if I recall correctly, one figure of the old machine costing \$5000. We have figures of the new machine costing \$12,000, costing \$24,000, and now \$60,000.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: The machines called for really depend upon where EPA comes out with its regulations. But you're dealing with both air emission analyzers -- the equipment you put in the tail pipe -- as well as the possibility of using something called the "dynamometer," which is a roller on the floor that is designed to simulate road conditions. You use both in testing more effectively the efficiency of braking, as well as to get cars to operate under simulated driving conditions so that the emissions plume out of the exhaust can be tested.

If EPA tells us they want what is called a "fully loaded dynamometer testing system," we can give you an estimate of how much the dynamometers cost, how much the analyzers would cost, how slow or lengthy it would be to go through it. But that is only one of three or so possible options that EPA can call for. One of them is not in operation anywhere. It is in sort of a theoretical stage of development that would be almost punitively expensive for us to implement if we had to.

On the other end, we could just go to an emission testing that just involves changing the idling speed. But these are the kinds of choices that will be driven by EPA's regulations. I don't know whether I have captured it technically, John.

MR. ELLSTON: You have done very well.

SENATOR COWAN: Then, as we mentioned earlier, it is not only emissions that is coming to the forefront now, but

also you will be upgrading your safety factors so far as what we talked about earlier with the braking, etc.?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: That is correct.

SENATOR COWAN: You will also have new equipment for that?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Yes, for sure. Again, these private vendors are already in the business of providing that enhanced safety inspection. We think, depending again on the testing for air emissions, we can do this all on-line with an integrated computer system that will give us what we are hoping to get, which is cleaner air and safer cars at minimum inconvenience to the public, and at the least cost.

SENATOR COWAN: In the most densely populated State?

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: In the most densely populated State.

SENATOR COWAN: Well, gentlemen, I certainly want to thank you on behalf of the Committee and myself for the presentation you have given here today and the responses you have given to our questions, although we don't seem to know too much as to what is really coming as yet.

I, myself, do not think it is being too presumptive, at this point in time, because I believe -- I am quite certain that you read the papers, you talk to people, and people talk to you -- the general public is very concerned -- very concerned at this stage in time.

I would also like to mention something that I think would be to everyone's benefit. We will be holding further public hearings -- we have a number of people who have submitted their positions from organizations, and also individuals -- within the next few weeks, and I think it would be advisable to-- I didn't mention this to the Attorney General or to Mr. Van Ness, but perhaps you people, or someone

representing you would be available at those hearings in case there are some questions.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: We would be happy to. We would also like to thank the Committee for its reception of us and of our report, and also volunteer that if there are any further questions or information that the Committee would like that we haven't hit upon, or that may require some follow-up, please direct those inquiries to me and I will make sure that we give you as much information as we can.

SENATOR RICE: Mr. Chairman?

SENATOR COWAN: Senator Rice?

SENATOR RICE: I would just like to make note, once again -- and you are going to hear it over and over -- that I am very much concerned because of my own national involvement over the years. I am hoping that this Governor understands how Congress operates, understanding that throughout this country I don't know too many governors or local government elected officials who have a great love for EPA or DEP.

It seems to me that some of these things that they are putting on our backs-- Hopefully the Governor, through the Governor's Conference, and with people like myself in the NLC and the rest of you who have networks, will start to band together and say, "Wait a minute. You know, you want us to do this, but we need to back up." But that is not happening. What we're doing is receiving these mandates and receiving threats of sanctions, and we are responding. That's fine, we have to respond, but we should be doing some other things, too.

So I just want to go on record with that. I also want to say that it is good to be an environmental Governor; it is good to be an environmental legislator. But there are limits to that stuff, too. There are a lot of other things that impact on people's lives in this State. One happens to be employment. Also, health is certainly a primary issue. But it seems to me that we need to address all of that, and not just

be focusing on special interests. We are going to have to bite the bullet like we are doing now and take our hits.

SENATOR COWAN: All right. Thank you very much, ladies and gentlemen.

FIRST ASSISTANT ATTORNEY GENERAL EAKELEY: Thank you.

(HEARING CONCLUDED)