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PUBLIC HEARING

before

SENATE LAW, PUBLIC SAFETY AND DEFENSE COMMITTEE

"To receive testimony from individuals and organizations on the recently announced plans to change the standards and procedures for the motor vehicle inspection system administered by the Division of Motor Vehicles"

(This hearing continued March 11, 1991. See transcript that date.)

February 25, 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

ALSO PRESENT:

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

New Jersey State Library

\* \* \* \* \*

Hearing Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
Hearing Unit  
State House Annex  
CN 068  
Trenton, New Jersey 08625



New Jersey State Legislature

THOMAS F. COWAN  
CHAIRMAN

RONALD L. RICE  
VICE-CHAIRMAN

JOHN A. GIRGENTI  
C. LOUIS BASSANO  
JOSEPH BUBBA

SENATE LAW, PUBLIC SAFETY  
AND DEFENSE COMMITTEE

STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625-0068  
TELEPHONE: (609) 984-0231

**\*REVISED NOTICE  
PUBLIC HEARING RESCHEDULED**

The  
**SENATE LAW, PUBLIC SAFETY AND DEFENSE COMMITTEE**  
will hold a public hearing on  
**Monday, February 25, 1991, beginning at 2:00 p.m.**  
State House Annex  
Room 407, Trenton, New Jersey

**SUBJECT: MOTOR VEHICLE INSPECTIONS**

**NOTE:** This public hearing was originally announced for Thursday, February 21, 1991, but has been rescheduled for **Monday, February 25, 1991**. The time and place remain the same.

This hearing will be a continuation of the first public hearing held on this subject on February 4, 1991.

The purpose of these public hearings is to receive testimony from individuals and organizations on the recently announced plans to change the standards and procedures for the motor vehicle inspection system administered by the Division of Motor Vehicles.

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 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.

Testimony will be taken from individuals or organizations wishing to address the committee on this matter.

*The public may address comments and questions to Aggie Szilagy, committee aide, and persons who want to testify should contact Penny Hoffman, secretary, at (609) 984-0231. Persons presenting written testimony should provide 10 copies to the committee aide on the day of the hearing. Depending on the number of persons who are scheduled to testify, the Chairman may impose time restrictions on oral testimony in order to accommodate everyone.*

Issued 2/13/91

\*Revised 2/15/91: Hearing Rescheduled for February 25, 1991



**New Jersey State Legislature**

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AND DEFENSE COMMITTEE**  
STATE HOUSE ANNEX, CN-068  
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SENATOR THOMAS F. COWAN (Chairman): Good afternoon. First I have to apologize for the late start, but we just finished with our quorum downstairs and our conference. The rest of the Committee members, I assume, will be here soon, but we will commence since we are going to have everything recorded. There are a number of witnesses who have submitted written testimony. We will begin our hearing now.

This public hearing is a continuation of the hearing we held on February 4. The subject of these hearings is the future of motor vehicle inspections, given Governor Florio's announcement that changes will be made in both the emissions testing and safety components of the inspections.

At our first hearing we received testimony from Attorney General Robert Del Tufo. He stated that in order to meet more stringent air emissions standards under the 1990 amendments to the Federal Clean Air Act, we must scrap our emissions testing equipment and program. For the State to continue to conduct air emissions testing would require enormous expenditures for capital improvements and operating costs. A cost-saving solution, according to the Attorney General, would be to contract with a private vendor who will conduct emissions testing at State-owned lanes. The Attorney General also stated that the Governor's strong preference is for the establishment of a new system which would not require motorists to pay additional fees. However, the actual cost for compliance with Federal emission standards and the fees motorists may have to pay, seem to depend on regulations still being drafted by the Federal Environmental Protection Agency.

The Committee also received testimony from Stanley Van Ness, Chairman of the Governor's Management Review Commission; First Assistant Attorney General Douglas Eakeley; Colonel Pagano, Director of the Division of Motor Vehicles; and others. The information we received was valuable to our understanding of what is planned, what the costs may be, and how much of the safety component of inspections may be retained.

However, there are still unanswered questions on how this plan will be implemented and how it will work. Today, the Committee will hear from individuals and organizations wanting to comment on these announced changes. We would like to hear their views on emissions and safety inspections in general; their reactions to the announced changes; and their comments on the testimony given at the first hearing.

Our first witnesses will be Mr. Jerry Ferrara and Mr. William Dressler, New Jersey Gasoline Retailer's Association.

J E R R Y M. F E R R A R A: Thank you, Senator, for the privilege of testifying. I don't know whether it is nice to be the leadoff witness or not, but I will do it.

Particularly, I think in your comments you have answered one of the main complaints -- or questions I have. That is the question of, we don't know what we are supposed to do. The Commission Report tells us nothing, except that possibly we will have to do it. My experience with the EPA in Washington says that they don't know what they are doing. There are two different answers coming down from Washington already.

If you take the Commission Report, they tell you there is a possibility that we cannot maintain the emissions standards. Emissions standards have not been proclaimed. We have tried to get information. The information ranges anywhere around, maybe, \$40,000 for a piece of equipment. We heard the name of a piece of equipment coming in called a dynamometer, which if they come in the lanes will be so long they will go from whatever station you have to North Jersey, because you won't be able to accommodate putting those cars on the so-called dynamometer.

The other interesting thing is the piece of equipment that is being promoted by the EPA in Washington, commonly called Bar-90. This is supposed to be an updated emission testing machine. It is in effect in California. It is going

into effect in New York. And it is nothing more than a sophisticated piece of equipment that enables the State to put in some updated computer equipment whereby they can lock it off from the dealer and get information as to what cars went through and the results thereof.

What happens now is that the state inspector comes around and takes the disk out. If they took the time to play it, it would tell them the same answers. So we are being asked to spend money eventually for a piece of equipment. Now, of course, I can't verify it, but my information from sources at the EPA in Washington is that they think this piece of equipment will be obsolete in three years. They are now looking for the state of the art. Somebody is going to create something for us. They did that to New Jersey with the Stage II vapor recovery -- this hose that went on the nozzle. It took seven additions to that nozzle to even be practical.

We have gone ahead in New Jersey -- we are scared to death of the EPA -- and put that system all through the State of New Jersey, where California, which has the greatest emissions, still hasn't put it throughout the whole state. As far as we are concerned, it wasn't a working thing; still isn't, but we've got it. We've got it. We proclaimed at that time that if they changed the formula of gasoline like they do in the summertime, it would be more efficient. Now we are looking at what they call reformulated gasoline -- oxygenated gasoline. All fancy numbers. EPA is looking to solve the problem, but meanwhile we are going to be asked to give up an important part of our inspection system, and that is the safety part of it, to do something that we can't find any information on.

With all due respect for the Commission Report -- I know the gentlemen who are on it have a tremendous respect for the Commission itself-- Questions: Who is going to check the centralized thing? All of a sudden, we have all angels who are

going to work for the centralized thing. EPA stated the fact that they may have found some that didn't quite do the job. Who is checking them? There are going to be employees, whether they are high paid or not. Here the Commission says, "It is clear from the amendments that New Jersey will have to develop a centralized system that can test auto emissions." Where does it say that? Where are the amendments? I am as close to this industry as anybody on that Commission. We spend as much time in Washington -- if that can be said -- as we do down here.

They put forth the question of losing valuable Federal funds. We inherit all the smog and the garbage that comes from Pennsylvania, Ohio, Indiana, and whatnot, and we try to clean the air here, which is impossible. Atlantic City, which is in the path of that, is still on the hit list. With all of the equipment we have put in already, there hasn't been a sanction officially given to any one of those states to the west. And we are supposed to start worrying about having the loss of some funds or being fined. I want to be around when that happens. I would probably go down, and if we didn't blow up the Capitol, they would have to penalize the rest of the states because we are doing something trying to clean up everybody's air, and we are not going to get there. I'll never argue. I have differences with underground storage. We contaminate the water we drink, and we are going to have to clean it up. We are cleaning up everybody's air.

I am just going to gloss over very quickly the Commission Report. All of it is presumption. Another issue they come up with is that the new cars should be tested every other year for five years and, with all due respect again to the environmental people here, I remember when they creamed the inspection system when the new car dealers were putting it at two years, and they made us bring it back to one year, and if it is done right, it is 18 months. All of a sudden, they bless the new car, and we don't have to worry about that. So it sounds like it satisfied part of the public.

They used the National Highway Traffic Safety Administration Report, which is shot down so badly by the GAO, and I have a lot more confidence in the GAO. When you go through that, the NHTSA Report says, "Periodic inspections improve vehicle conditions. If periodic inspections are effective, they will reduce the number of accidents."

Then you go on and on in the NHTSA Report until they admit at the end that their study was based on fatalities, and not the number of accidents that may or may not be prevented by having a safety inspection. I think you will have a group testifying here later on that will tell you that the GAO Report says, "Studies show that accident rates are up to 17% lower in states that have auto vehicle safety inspections" -- 17% less.

Now, we are looking at -- comparing us with other states-- No other state has what we have. We have a State inspection and a private inspection piggybacked together. From the outset, we think this is the best of two worlds. When emissions first came out it was offered to the private sector that we would do the emissions, because there would be equipment bought and what have you. On behalf of our group, we turned it down. We told them that we didn't want to necessarily be under the-- We didn't want the public to feel that we were shafting them -- using the vernacular -- in order to create some work. So you had the dual inspection.

The public who come and pay the private dealer do it for various reasons. It is convenient for them. They save time. And the expenditure they may pay lessens the lines for those who use the State inspection, for whatever reasons: They don't like the gas dealers; they don't want to spend the money. Whatever the reason, it lessens the line. We do about 1.2 million cars' initial inspection, and that leaves a little over three million cars for the State. The State collects, at the present time, \$2.50. By the way, \$1.50 of that came about in 1976, then Governor Byrne wanted to do the same thing --

eliminate the inspections. We made a survey, and it came out that it was 80% in favor of maintaining the inspections. At that time, 62% were willing to pay from \$2 to \$5. We had \$2, \$3, \$4, and \$5. And the Governor -- I met him just a couple of weeks ago and refreshed his memory -- decided that he would quietly institute the \$1.50. We didn't make that survey public, and the safety inspections continued.

I also served on the Inspection Study Commission. There were 16 people on that. When it started out, perhaps as Commissioner Waddington said at that time, probably he and I were the only ones who wanted inspection. It came out unanimous in favor of continued inspection. I love to use the remarks of Carl Orechio, a former Assemblyman, who at that time had a whole slew of bills in: "Do away with inspections. Do away with inspections." After that Commission report, he told Brendan Byrne, while we were standing there, that he would not introduce another bill to do away with the inspection system, because he found that it was meaningful.

We talk about a cost of \$6 to \$15. Well, I will lay anybody a bet here that if they attempt to put even one piece of the safety inspection in, or maybe even without it, that \$6-- My understanding, in checking around the country, is that it is in effect basically in Arizona. I would venture to say that you are going to pay \$10 or more. Then, I couldn't help it. When the Attorney General said the Governor didn't want to pass any more costs on to the public-- I don't know how we are going to do it unless by some miracle you are going to find some extra funding, or if those who do centralized inspections become charitable, and I can't visualize that happening.

We are not the only State objecting to centralized inspections. As you know, the Commission interviewed several states. Basically, I don't know if they interviewed anybody in those states other than those who were maintaining and sponsoring the centralized inspections. Now, if anybody had a

self-serving interest, they did. We can say that we have a self-serving interest. But I am here to tell you that up until now, our surveys indicate that the public is overwhelmingly in favor of continued inspections, with a pretty good fair feeling for maybe even having to pay more money. We are not complete with that, and we would just as well not hear it. But that is where it is going.

I got an education. One woman said, "Well, I go to a garage, and I take good care of my car." I said, "Well, that's fine." She said, "Do you know what I am worried about? The car I meet at the intersection." Haven't we got the same problem with insurance? What about the car we meet at the intersection which is not taken care of? No matter what we do, safety belts, etc., and any kind of brakes you've got, if he comes through there and hits you, you're gone.

So, the issue is safety. Safety is important. The public wants it. There is no question in my mind that the public wants it. You always find somebody who is anti, somebody who will write a letter to the newspaper. We have a habit of checking out those letters: where they come from, who they are. With gas stations, we have a precinct on every corner. We ask the guy to check those people out; who are they? Some have said that they may have waited a great length of time, but the public itself-- They are aroused and want the safety inspection. That is what shows up with us.

The only good thing we are doing so far is maybe leasing out the stations. We have the property, but what are we going to do? Get rid of the program and then say it doesn't work and come back? I can't get any figures. The figure \$22 million was used as a saving. In actuality, it is not \$22 million, because my understanding is that we are not eliminating all the inspections; we are keeping drive-in testing, and whatever else goes with that. The closer figure may be \$15 million presently to maintain that, and that is

about what we collect in money now. We went as far as to say, "What do we have to do to upgrade?" The best numbers we can get are maybe about \$3 million or \$4 million to upgrade the brake system. My feeling is, the \$100 million-- Forget it. That has gone out the window. Whoever dreamed up that number-- I don't know what the devil we are going to buy for \$100 million to upgrade our system.

But a reasonable upgrade of the facilities-- True, the facilities we have, the buildings themselves, may need to be upgraded. It could come out to maybe \$3 per car to upgrade the system. That would give us roughly -- if it's \$3 -- \$12 million to \$13 million a year. Over a four- or five-year period, that would give the State more than enough money to upgrade the system to the latest state of the art.

We could go on and on, but I think there are a lot of other people here who want to testify. I would love to come back later after I hear others testify, but I won't impose on the Committee for that. But the point I am trying to make is, there is no reason, absolutely no reason at this time, we should say, "Disband the system." With all due respect to this report, I want to see a year from now, or six months, when the EPA halfway makes up their mind -- I almost used the vernacular, but I don't want that to go on the record -- as to what kind of a system they want.

We are down there in Washington. We have met with them for years. I'm telling you now that the opposition down there for the theme-- They ought to have a theme park of centralized emissions. We know from our contacts with our industry throughout the country that there are states galore that are protesting. The latest remark we heard from EPA was, "Well, maybe we can do without the centralized inspection." For some reason, they don't like New Jersey. We have been a target. Maybe they find too much cooperation here in DEP, which went from one floor to a seven-story building, and you

can't get any answers anyway. That really isn't for the record, but that is my personal opinion.

With that, I don't want to belabor the Committee. You are patient enough having to sit here and listen to all of this. I am ready for any questions the Committee may want to ask, or I will submit any information later on. We believe we will have information later on to demonstrate very strongly what the public opinion is, if you haven't already heard it on the street now.

SENATOR COWAN: How about you, Mr. Dressler? Do you have anything?

WILLIAM DRESSLER: Anything I say now, Senator, would be repetitious. In deference to the Committee, if you ask Mr. Ferrara any questions you might have, we can get on with the hearing. Thank you.

MR. FERRARA: Unfortunately for Bill, if he lets me go first, he's finished.

SENATOR COWAN: I thought you were going to say, "It would to be anticlimactic."

MR. FERRARA: No, he worked very closely with me on this.

SENATOR COWAN: Senator Girgenti?

SENATOR GIRGENTI: Mr. Chairman, I know you invited back the individuals who worked on the report. Are any of them here at this time, like Mr. Eakeley?

SENATOR COWAN: We have someone from DMV -- a young lady here representing them. She will take any questions back to the Division, and then bring the answers back.

SENATOR GIRGENTI: I am just curious, because Mr. Ferrara talked about the numbers; you know, how they came up with the figure of \$22 million and the \$100 million. I would like to know from them how they came up with these numbers, too.

SENATOR COWAN: Yes, Senator, we have Jayne Rebovich here from DMV, who will be taking any questions and will come back with the answers.

SENATOR GIRGENTI: All right.

SENATOR COWAN: Jane, you will be back to the Committee with the answers? (affirmative response from audience) Okay.

SENATOR GIRGENTI: I don't want to cut into Mr. Ferrara's time, but at some point, maybe we can go over those numbers.

SENATOR COWAN: Yes, we will get those answers.

MR. FERRARA: Senator, those numbers were thrown out in the press, but there have been no facts. The closest facts are that the \$22 million, vis-a-vis the \$15 million--- Then we heard -- and we talked to the front office -- \$45 million, \$75 million, \$100 million. We don't know what it is.

SENATOR GIRGENTI: I understand.

SENATOR COWAN: We heard the same figures thrown around concerning the equipment that would be needed.

MR. FERRARA: That's right.

SENATOR COWAN: No one seems to know. Senator Rice?

SENATOR RICE: I yield my time to Senator Girgenti.

SENATOR GIRGENTI: I am just curious. Because you're here, Jerry-- Basically, if this program-- What they are saying, in other words, is that all the private stations, in your opinion, if they had to meet -- if these standards had to be met, in terms of the amount of money it would cost, they could no longer be involved in the process. It would just not be economically feasible for them. Right?

MR. FERRARA: Well, it depends. If they are following the California standards, this machine -- Bar-90 -- is a rather-- It is not much different from our present emission machines, except for the computer part of it. Probably the machine this year will be called Bar-91. It is just the year. They paid approximately \$15,000 for those machines. Naturally, those people in our business may not be too happy about it, but we really believe strongly in the inspection system, in the two

worlds. We make no attempt to say, "We will do all the inspections," because we don't really want to. We think with what you've got, the public gets a break. So, the \$15,000 will be a decision we are going to have to make, if they can prove that that machine does anything more than let somebody sit down here in Trenton and watch and push a button and get the numbers. Up until this time, that is all I can see that it does.

SENATOR GIRGENTI: What do you presently pay for the equipment?

MR. FERRARA: Well, when we bought the present emission equipment, they started out at about \$17,000 or \$18,000. We paid anywhere from \$10,000 to \$12,000. They are sophisticated machines that do more than just emissions. They are tune-up machines. They went over \$20,000, but the mean average for the machines ranged somewhere around \$12,000.

SENATOR COWAN: Thank you very much, gentlemen.

Next will be Charles Walton, President, New Jersey Automobile Dealers Association.

C H A R L E S E. W A L T O N: Thank you, Mr. Chairman. I am Charles Walton with the New Jersey Auto Dealers Association. If my friend, Jerry Ferrara, doesn't like being the lead-off witness, I am not sure I like following up after him.

Of the 760 franchised care dealers who are members of our Association, approximately 500 are currently licensed as private inspection centers. We got into this originally as reinspection centers. That authority was then expanded to have us become private inspection centers, and each year more and more dealers have opted to become private inspection centers.

During the period of time that this has occurred -- as Jerry Ferrara pointed out -- more than a million vehicle owners annually have availed themselves of the private inspection center option, rather than using the State inspection system.

Their choice, and the expense out-of-pocket, alleviated the pressure that had been on the State inspection system. I am sure all of you remember hearing from constituents about the long waiting times. Well, it was the PIC licensees that helped to take the burden off the State system.

The Governor's proposal, as you know, would call for the elimination of the private inspection centers. We very much want to continue to play a role in the State's safety and emissions objectives. We think the public would prefer to have the private sector remain as part of the inspection system. A million motorists have already demonstrated that. We think the State would protect its own interest, as well as the motoring public's interest, by having an alternate system; one where the State isn't entirely dependent on one contractor to perform the service. The current PIC network provides the ideal fail-safe for the State.

It is difficult, as Mr. Ferrara pointed out, at this point, without the EPA rules being put into place, to estimate how many currently licensed PICs would be willing to make the capital investment. We have heard \$30,000, \$20,000, up to \$60,000 for the high-priced dynamometers and the very sophisticated analyzers that are going to be demanded to satisfy the new rules. However, the automobile dealer is going to be required, in time, by his manufacturer, to obtain that same equipment. He is going to have to have that state-of-the-art equipment to be able to fix the vehicles and to test them before they can be released to the customer.

So, simply put, we are going to have to buy the equipment whether the State PIC program continues or not. We need equipment that is every bit as sophisticated as the State or its designated contractor would need.

We hope the Committee will keep an open mind on the matter until all of the details are in place, specifically until the EPA rules have come out. If there is some way we can

continue to assist in delivering these services to the motorists on behalf of the State, we are anxious to do that. We want to continue to be part of the solution tomorrow, as we have been in the past.

Thank you.

SENATOR COWAN: Thank you, Charlie. Any questions of Mr. Walton? (no response) Again you bring up that dynamometer. Listening to Jerry Ferrara also, with some of this equipment, is it used for both the emission testing and for other work on an automobile, or a vehicle whatever it may be? You can use it for various numbers of reasons for diagnostic service. Is that correct? It isn't a piece of equipment just used for emissions? Am I hearing what I think I am hearing?

MR. WALTON: Well, analyzers-- (comment from Mr. Ferrara at this point, which is indiscernible since he is speaking from audience) That's right.

MR. FERRARA: (still speaking from audience) But you can't separate them-- (indiscernible)

MR. WALTON: To tune up a car, a sophisticated car with an on-board computer, you need the most sophisticated-- You are always going to need that. So we are going to have to get it whether we are a part of the system or not -- part of the PIC system.

Thank you, Mr. Chairman.

SENATOR COWAN: Okay, very good. Thank you.

Next we will have Christopher Von Zwehl, from Auto-Marine Tech Inc., Oakland, New Jersey.

C H R I S T O P H E R V O N Z W E H L: I want to thank Aggie (Committee aide) for moving me up on the agenda. I have a plane to catch in a couple of hours.

I was present at the last hearing, and I am really not going to comment on what was said at that last hearing. I am going to read off a speech here. You all have copies of it,

and I have extras here if anyone else in the room would like one.

Senators: At Amtec we support periodic motor vehicle inspections as a way of saving lives, money, and our environment. With the motor vehicle inspection system due for an overhaul, now, better than ever, it is time for New Jersey to lead the way in safety and emissions.

You are all familiar with the Clean Air Act and the NHSTA-GAO Reports regarding protecting our environment and our driving public. Any shortcomings in our drive to improve our emissions and safety inspection programs would be detrimental to all in the Garden State.

Amtec has provided to you in the recent past, a National Survey Summary on vehicle leakage. In summary, this survey showed over 46% of the vehicles on the road leaked hazardous service fluids. By 1989 estimates, of 188.6 million vehicles on our roads, 87,000,000 vehicles leak annually. In New Jersey alone, almost three million vehicles leak hazardous service fluids yearly. These statistics are from the Motor Vehicle Manufacturers Association's Facts and Figures, 1990. Out of all confirmed leaking vehicles, only 41% proceeded with necessary leak repair. These repairs usually occur when vehicle driveability is affected.

All of these statistics being presented today supercede past published numbers due to countless days of research and turning estimates into factual data.

In another independent national survey we conducted -- not published to date -- a brief summary indicates that 28% of the vehicles on the road leak CFCs, or Freon, the number one ozone depleter, and some 2100 repair facilities in New Jersey vent CFCs into the atmosphere when doing air conditioning repair.

All of this must be stopped. The best way is through an improved vehicle inspection program and tighter regulations.

In my letter to Senator Cowan, we conservatively estimated that over a half-million gallons of hazardous service fluids are dumped on New Jersey's highways. Recently through more in-depth research with information from the Society of Automotive Engineers, the National Petroleum Refiners Association, and the Rubber Manufacturers Association's Sealing Committee, we now conclude that number is closer to four million gallons a year of hazardous fluids dumped on New Jersey roads alone. This does not take into account all of the transient traffic going through New Jersey. On the national level, this number is closer to over 100 million gallons a year. This is a serious environmental and safety problem.

According to the 1989 NPRA Report on U.S. lubricating oil sales, 1.4 billion gallons of oil were sold in 1989. This includes oil, transmission fluid, hydraulic fluid, and gear oils. The EPA estimates 660 million gallons per year are illegally dumped, or 90% of all disposed oil. The other 10%, or 70 million gallons, is presently recycled. If you subtract OEM factory fill -- 58.5 million gallons -- this leaves 616 million gallons consumed annually unaccounted for. Clearly, much of this is either in-service use, burned off, or leaked out. Since retail sales account for over 55% of the 1.4 billion gallons of oil sold annually, vehicle owners are replenishing their leaky vehicles daily.

New Jersey has always been a leader in the area of vehicle safety and emission inspection programs. The State of New Jersey had the first combined safety and emissions inspection program in the country. As New Jersey needs to clean up its vital resources now, more than ever, let's push ahead with improving periodic vehicle inspection.

It is here that you Senators can make the difference by endorsing "stop leak" legislation. In some five years, Amtec has been studying the cause and end result of vehicle leakage. It is a serious environmental and safety matter that needs to be addressed now.

To implement and approve an effective safety and emissions inspection program, where leaks are identified and required to be rectified, would once again place New Jersey in a leadership role regarding clean air and highway safety.

Vehicle fluid leakage is easy to detect and inexpensive to repair. It does, however, require an under-car inspection. This inspection would also cover many other safety areas that need to be addressed. Whether an inspection facility has a pit, lift, or drive-on ramp, it is vital to inspect a vehicle's underbody. This is where most trouble starts due to wear, corrosion, road debris, and lack of effective maintenance. Most vehicles leak from 10 key areas. They are: engine valve covers, which leak oil; air conditioning components, which leak Freon; cooling system fittings, which leak antifreeze; brake lines; power steering; front axle seals; transmission pan gasket and main seals; engine pan gasket and main seals; differential; and rear axle seals.

And, just to remind you, most of these fluids which go in clean, all come out with carcinogens in them.

Leaks mean trouble down the road. Everybody sees spots in their driveways or in their work park spaces. How about the big black lines down the middle of our highways? Any vehicle seal or gasket is considered a leaker if it leaks one gram of fluid within a 24-hour period, per the RMA Sealing Committee. Effective leak inspection and repair would: significantly reduce environmental pollution; save money on oil and fluids; end annoying driveway stains; reduce hazardous slick highways; reduce costly repairs and prevent premature vehicle component failure; keep fluids in and contaminants out; and keep your vehicle running better and longer.

In terms of the frequency of leak inspection, we have found that the older a vehicle gets, the more it leaks. Right now the average vehicle is 7.8 years old and leaks from an

average of three to four places. A yearly inspection is recommended.

Due to new technology in vehicle service and OEM engineering changes, vehicle owners can now, more than ever, have leaks stopped quickly and cheaply. Seals leak mainly from hardening and gaskets leak mainly from permeation. With very little effort, each can be corrected, thus not burdening vehicle owners financially or in vehicle lay-up.

It is the responsibility of all of us not to give way to budget cuts that seem to save money up-front, but cost New Jersey residents a thousandfold in accidents and environmental destruction that last forever. You must stop leaks before they stop you! Thus concluding annual vehicle inspection is pertinent to reaching New Jersey's goals of safety and a cleaner environment.

(Additional information submitted by Mr. Von Zwehl on file with Legislative Services Committee Aide, State House Annex, Room 316, 609-984-0231)

SENATOR COWAN: Thank you, Mr. Von Zwehl. Are there any questions from the Committee? (no response) Thank you very much.

Next in order will be Chris Kennedy and Jerry Jagger, Communications Workers of America.

CHRIS KENNEDY: First of all, I would like to thank the Committee for this opportunity to come and speak before you. My name is Chris Kennedy. I am a Research Economist at the International Union Office of the Communications Workers of America in Washington, D.C. I am joined today by Mr. Jerry Jagger, who is one of the principal employees that this proposal would affect. We do have some comments. I will keep my comments extremely brief in deference to the long list of speakers you have here today.

Primarily I am here today to address the Committee concerning the actual report. I was asked to review the report and to submit comments and concerns and basically give them an opinion. After reading the report, to be quite honest with the Committee, the CWA International Union was very shocked that such a devastating proposal to the employees would be submitted in such a fashion. I don't want to reiterate what has been said before, but the report is extremely vague. A case in point, the numbers referring to how much the current system costs, how much the improvements would cost, and how much the equipment costs-- When I add them up, they don't add up, which causes us great concern.

Also causing us great concern is the fact that this is a very important Department within the State government. The report, I believe on page 5, refers to the unique aspect of vehicle emissions testing facilities, where it has a periodic, reoccurring contact with the public. Therefore, it goes on to infer that long lines at these facilities basically give the State a black eye. Whereas we concur that long lines do bring down the public's opinion of the State-operated services, I think we deserve to look into what is actually causing those long lines. Also, we concur that it is important that the State services be seen as an operation that operates effectively and efficiently.

Privatizing this operation, we believe, does not accomplish that goal. In fact, we think it goes in exactly the opposite direction. We are also concerned with the fact that given this, there are problems, so the report says, with the current system aside from the proposed EPA standards that are yet to come out. I must concur-- I believe it was Mr. Ferrara who spoke about EPA standards and regulations being very -- for lack of a better phrase -- wishy-washy in the early stages. Myself, being from Washington, I wholeheartedly concur with that. I would also add to that that the report states that the

actual standards are supposed to be out in June. Generally that is delayed for quite some time. Therefore, I hope you can understand the reason why we are so greatly concerned with a proposal that would, in effect, cause hundreds of people their jobs.

The third point I would like to raise-- Another concern we have about this report is, I think it is greatly misleading as to the costs. As I understand it from my reading of the report, it says point-blank that a private contractor, if he is allowed to do only emissions testing, will actually be cost-effective and will save the public money. Well, we wholeheartedly disagree with that. In fact, there are hundreds of hidden costs associated with such a measure, not the least of which would be the fact that you are about to lay off hundreds of employees. Some of them will probably get on with the contractors for, at best, half the wage, and certainly not nearly the benefits. That means that if one of those employees, or if another employee who was not as fortunate and did not land on his feet, were to get ill, for example, he would have to go into the hospital under indigent care. The costs of such a situation eventually reverts back to the ultimate payer of public services, which is the employer -- I'm sorry, not the employer, but the public, which is actually the employer. That also causes us great concern.

The final point I would like to make is again concerning the information about the contractors. I see across the country several contracting out situations which fail. They fail primarily because the first and foremost priority of a contractor is profits. Profits this year, and greater profits next year. I believe the State of Florida is about to implement a system somewhat similar to this. I believe it will begin this year sometime. They are actually using, I think, three of the private contractors which are listed in the report. In speaking with officials from the State of Florida,

as I understand it they were extremely concerned about this fact. They have built in measures -- very stringent measures -- upon the contractors, to make sure that they comply with standards, almost to the effect that they have something like a cap on what the costs can be.

In this situation, if you take the New Jersey situation and apply it, what that means is that -- or as I read it at this point -- there are no such cost preventative measures in place. In fact, what will happen eventually is, the costs to the public will rise not only at the facilities, but in the other hidden costs' areas such as taking care of the people who were displaced.

Most of the other things I have here on my list would simply be reiterating what has been said before, so I will turn it over to Mr. Jagger.

**J E R R Y J A G G E R:** Thank you, Chris. I want to thank the Committee for allowing me to speak on what I basically feel about this Commission Report. When I first read this report, I found it extremely vague. I sat down with the assistants in my particular station. I am a supervisor at one of the inspection stations in New Jersey, and have been in State service for about 15 years. The report basically states that Motor Vehicle Services is responsible for what they call core regulatory functions, and that basically we oversee that present drivers operate with the correct credentials; that is, drivers' licenses, insurance, registrations.

One of the main points that we check is insurance, which is, I believe, regulated by the Fair Automotive Insurance Reform Act of 1990. Part of that Act is that it envisions MVS as a central role in addressing the uninsured motorist problem, which is quite a large problem.

Now, I can give you some numbers specifically only from my station for the month of December alone. The rejection rate we had for insurance was 233, which averages out to about

11 people a day who could not prove they had insurance. That is only one facility out of the 36 in the State. That does not include the private inspection centers, which also check insurance.

Insurance is not checked-- Well, it is basically checked at an agency when you register your vehicle, but it is not physically checked. When you go in to register your vehicle, you write a number down on the application, and your application is processed. Only the stations and the private centers physically check for insurance. So that is a concern of mine. If you do away with this particular part of the inspection, it won't be checked, and a lot of these people with insurance will probably not have insurance, with the high cost nowadays.

The Commission talks about centralized systems for testing emissions. Of course, it gets very vague on the laws. Things are not even in place yet as to what we are going to be doing. The new law requires the State of New Jersey to provide computerized analyzers, which is what we have now. The machines we have in the State stations have cassette tapes in them which are not even processed. They are just allowed to run until the end, and are then changed for another cassette.

In the private sector, the private machines do have tapes changed. They are collected. When I was an investigator, this was done on a monthly basis. Because of the resources that have been cut down, it is roughly done on a three-month basis now. These tapes are taken back to the Environmental Protection Center in Trenton, where they are put into a main computer. This information is collected and is periodically dumped into reports that DEP keeps. Evidently, they don't want the station ones; they only want the private ones.

So, we do have a centralized system. We do collect the data that is on there. Upgrading it, to me, would not be

that hard. We are already putting in the year of the vehicle. The private sector puts in the license number of the vehicle and some other pertinent information. I really don't know what DEP wants, or even what the Federal guidelines are going to be yet. But I am sure the machines could be upgraded easily.

The Commission mentions biennial inspections of cars less than five years old. Well, there are a lot of cars out there that are less than five years old. Most of the cars I have run into are less than five years old. Many of the people who buy cars nowadays buy newer cars. They don't have older vehicles like they used to. Most of the vehicles that are failing are the newer vehicles, some for emission reasons, but there are other problems. A lot of times I will go down the road and I will see a car that has a headlight out. It is just noticeable. Being an employee for the last 15 years, I would notice things like no stoplights, no headlights, wipers, horns. And these are things that we do check.

The money part idea: They talk about \$22 million in one part of it, and then again there are differences in the money. As far as the State jobs are concerned, they mention 550 nonsupervisory workers in the private sector, but they do not talk about the support people who back us. We have quite a few support people. In statistics, the people who oversee the private garages, which is what they want to eliminate-- We have management people who come out and maintain our facilities for us. So, there are a lot of people involved besides the 550 that they talk about. That is important to me.

Again, I don't understand why they want to abandon the present system to go to the private sector. Safety is a big item -- tires. When was the last time anybody really went out and checked tires on cars? I know I am not an advocate of that per se, because I don't do it. I will be honest with you. I am no better than anyone else. When I go out I put the key in the car, and if it starts I go down the road. When was the

last time you checked your headlights, or really anything on your car? The majority of people just don't do that nowadays. It's too rush, rush in this modern society we have. Everybody is on the go. You just don't have the time to do that.

So really, once a year, to me, is not bad. I know it is a pain for a lot of people who come through inspection, but the majority of the people I have run into who have come into my office to voice their opinions, are positive. They want the system to remain the way it is.

The rest of what I have written is in the handout I gave you. I will not expand on that, in the interest of time. Are there any questions?

SENATOR COWAN: Thank you, Jerry. Are there any questions from the Committee? Senator Bassano?

SENATOR BASSANO: Are you still inspecting headlights on cars? I thought that--

MR. JAGGER: The headlight inspection is an on/off, whether they work, not as far as the aiming of the headlights. No, Senator.

SENATOR BASSANO: Since they took that part of the inspection away--

MR. JAGGER: They took the boards away. That is correct.

SENATOR BASSANO: Yeah. Since they took that away, you find a lot more cars with the lights either up or down, not in proper working order.

MR. JAGGER: Right. The correct procedure nowadays is that it either comes on or goes off, unless it is physically damaged.

SENATOR BASSANO: The second thing I want to comment on is, like everyone else, I find the system to be annoying -- going for inspection. Last week I was in line in Newark for two hours. I read the paper three times waiting to get through the system, while, I guess because of budgetary problems, two

of the four lanes were not operating. So to blame the system or to blame the workers who are there, I think is unfair, when there is obviously a need for more personnel, which would then alleviate the annoyance the public has. So we are kind of creating the problems ourselves through the bureaucracy.

I also have a question that you are not going to be able to answer, so maybe it is more of a comment. That is regarding the new increase in motor vehicle registrations that recently went into effect. Are we going to see a reduction if the public system is eliminated? Part of that registration fee we pay goes to fund the public system. No one has answered that question to this point.

MR. JAGGER: From what I understood on the registration fees that were raised for the next, I believe, six years, a lot of that was supposed to go into an insurance fund, for insurance reasons. I cannot expand beyond that.

SENATOR BASSANO: But the fact remains that the cost of the public system is borne through the inspection process -- is borne through the motor vehicle registration process.

MR. JAGGER: Correct.

SENATOR BASSANO: That is what pays your salaries.

MR. JAGGER: That is correct.

SENATOR BASSANO: Are we now going to look at a reduction in that fee, in light of the fact that the Governor wants to eliminate this program?

MR. JAGGER: That I cannot answer, no. You're right.

SENATOR BASSANO: I don't think you are going to see that. I think the public is going to be asked to pay again somewhere down the line. Again, that is not a question. It is just a comment.

MR. KENNEDY: If I may just make one more closing comment, the report clearly states that, again, as long as the private contractors are held simply to vehicle emissions testing, then they say it is cost-effective, although they

provided no data to support that. It is suggested that we no longer test for safety. It seems to us, as an institution, that that is an extremely high price to pay for something which we believe is not going to save the State one dime more. In fact, we truthfully believe that if you included the costs, even on a limited basis, of the private contractors doing some of the safety inspections, and then compute the costs to the public, basically what you are going to come out with-- You are going to come out with the contractors being more than if we continued, or improved upon the current system we have now.

That data was not included in the report. That is what we were looking for. That is what we, certainly as employees -- 148 employees who will be directly affected by this particular proposal -- would like to see. Again, that is more of a comment than anything else.

Thank you.

SENATOR COWAN: I have one question of you, Jerry. You mentioned, I think, that about 11 per day go through your system up there in Paramus--

MR. JAGGER: That was in the month of December, Senator. That is correct. That is my station alone.

SENATOR COWAN: --that do not qualify for the insurance. What happens when those people plough through the line and they don't have--

MR. JAGGER: Okay. They are rejected for the insurance -- for not being able to prove proper insurance, and they are given a rejection sticker that is valid for 72 hours, for them to prove insurance.

SENATOR COWAN: Is there a specific type of sticker that goes on?

MR. JAGGER: It is an orange-colored sticker that is applied to the vehicle. That is correct.

SENATOR COWAN: So, they are identified, okay. Thank you. Any more questions?

SENATOR RICE: Yes, Mr. Chairman.

SENATOR COWAN: Do you have a question, Senator Rice?

SENATOR RICE: Yes, I do, to you and to the gentleman speaking: Has anyone requested all of this data yet? I have a lot of problems with this, too. First of all, I have a problem with contracts -- period -- even in my city. But we are talking about people's livelihoods; we are talking about safety. I mean, those are two of the most serious combinations that you can impact on at one time with one piece of legislation, or one decision.

I am concerned also about who sat on this Commission. I think it has been mentioned something about someone from the food industry, etc., etc. Have we requested all of this data yet? It appears to me that the numbers exist, but no one is producing the numbers so we can do a comparative analysis, or a quantitative analysis, or even an equality analysis. So, has this Committee requested additional information?

SENATOR COWAN: We will be getting into that as soon as we hear more testimony from everyone involved. That was the purpose of having the Department first and then the hearing today with individuals who will be affected by it. Of course, we do not have all of the answers yet, as everyone is testifying here today and they testified on February 4, because we do not have the regs as yet. But we will be getting into all of that as soon as we have enough meat to get into it.

SENATOR RICE: In other words, we don't know what to ask for yet.

SENATOR COWAN: Not until such time as we hear from everyone who is going to testify today, to come up with some of the questions they have. As I say, that is the purpose of the hearings as they were scheduled, so we could get into some of the meat and perhaps break it down. It seems to be very nebulous, as it was stated. Even today we can see that still

being carried through. So, as soon as we get some more meat, we will be able to get into it.

Yes, Senator Girgenti?

SENATOR GIRGENTI: I know you have seen the report obviously, and you have read through it. I don't know how much in detail you have talked to individuals who have been on this Commission, or who are studying it. The impact in terms of employees being affected-- I have heard the number 550. Is that accurate, from where you are sitting?

MR. JAGGER: That is what the Commission Report states -- 550. I would see more than that.

SENATOR GIRGENTI: All right. Also, from testimony last time to us, some of these individuals are saying that by attrition they may be leaving anyway. Do you find that accurate, or you don't think there will be that many who--

MR. JAGGER: There are people who will be leaving through retirement. I cannot give you an exact number, but probably 140 or 150 who are eligible for retirement.

SENATOR GIRGENTI: Obviously, owing to this, some could be hired by these private contractors. But, as you said, definitely the salaries and the benefits would not--

MR. JAGGER: The salaries would probably be about half of what they are now, Senator, I would say.

SENATOR GIRGENTI: How about the fact that -- I don't know if you noticed -- they were talking about an increase in roadside inspections and so forth. Would that mean--

MR. JAGGER: There are 10 teams right now that are out there in limited force, due to our resources. I don't know whether that would be expanded. I can't really give you an answer on that.

SENATOR GIRGENTI: It kind of led us to believe that that would be part of this program.

MR. JAGGER: There are 10 teams presently, but I know that not all the teams are out there.

SENATOR GIRGENTI: Thank you.

SENATOR COWAN: Thank you, Jerry and Chris.

Our next witness will be Gary Huggins, from the Coalition for Safer, Cleaner Vehicles.

G A R Y H U G G I N S: Mr. Chairman, members of the Committee: Thank you for the opportunity to come talk to you and address this issue. I am Gary Huggins, Vice President of the Coalition for Safer, Cleaner Vehicles. I am accompanied by Robert W. Green, Chairman of the Coalition's Technical and Regulatory Affairs Committee.

The Coalition for Safer, Cleaner Vehicles is a national consumer, environmental, and industry organization committed to assisting states in adopting and improving vehicle safety and emissions inspection programs. The Coalition is composed of consumer groups -- representing over 50 million people -- state vehicle and pollution control administrators, individual companies, automotive associations, and others.

Each year 45 million of our nation's vehicles are involved in crashes that kill 46,000 people and injure 3.4 million people. Our Federal government estimates the resulting economic loss to be approximately \$74 billion annually. Additionally, over 150 million Americans -- more than half of the nation's population -- live in areas with pollution levels that the Environmental Protection Agency considers unsafe. Never has the need for more effective, annual motor vehicle safety and emissions inspection programs been more apparent.

The U.S. General Accounting Office -- as you heard earlier -- issued a report in July 1990 which confirmed the benefits of vehicle safety inspection programs. The GAO found that states with inspection programs had accident rates which were 17% lower than states without inspection programs. Subsequently, the National Highway Traffic Safety Administration told the GAO that the contribution these programs make to highway safety provides a basis for the agency's renewed support of safety inspection programs.

Using old technology equipment, the New Jersey inspection program is failing about 12% of the vehicles tested for brake defects. Studies by the National Highway Traffic Safety Administration show that approximately one-third of all vehicles on the highways, cars and trucks, exhibit brake system deficiencies. For example, NHTSA's 1987 Heavy Truck Safety Study concluded that, "Brake system performance could be involved as a contributing factor in as many as one-third of all truck accidents."

Put simply: We are all either among the one-third of drivers on the road with defective brakes; or among the two-thirds of drivers who share the roads with them.

Effective safety inspection programs can also significantly reduce insurance rates. For example, Utah is the only one of the 11 far western states with a vehicle safety inspection program. The state's fatality rate from crashes involving vehicle defects is 4.6% compared to 12% to 20% in the surrounding states. Lieutenant Bardall Hamilton, of the Utah Highway Patrol, in testimony to the National Highway Traffic Safety Administration stated that, "Insurance costs in Utah are at a lower rate due to requirements of the inspection program. We pay on average \$207 per year less for insurance than do other people in the 11 western states." In 1987, the National Highway Traffic Safety Administration found that nationally, even those motorists not involved in accidents paid an estimated \$97 each in additional related insurance costs.

In addition to their safety and environmental benefits, vehicle inspection programs have resulted in reductions in fuel consumption. For example, the State of Arizona reports an estimated 30 million to 50 million gallons of fuel savings annually due to the emissions inspection program. The cost of vehicle maintenance in these programs is frequently more than offset by the fuel economy improvements resulting from required maintenance. If the program also

includes safety along with the emissions inspection, the fuel savings can be significantly higher due to the detection and repair of such items as dragging brakes, wheel misalignment, inadequate tire pressures, and poor quality shock absorbers.

At the same time, we must recognize that past inspection practices have not always been as effective and thorough as they should have been.

The major focus in planning for integrated safety and emissions inspections should be to add value for the motoring public and the environment. Once a motorist has been required to bring a vehicle in for emissions testing, it makes sense to perform inspections of safety-critical components at the same time. Thorough and effective dynamic safety tests can be added to emissions tests in centralized facilities with negligible increases in processing time and at only a small increase in cost. Visual checks of other safety-related components can also be included in this process with no time penalty.

Another essential element in assuring future acceptance of vehicle safety and emissions inspection programs is the delivery of high-quality, uniform, and objective inspections that provide meaningful information to the vehicle owner about the condition of the vehicle. Effective programs are accepted by the public and can be provided for less than the price of a tank of gasoline.

Objective diagnostic and inspection data from these programs will then permit the vehicle owner to select a qualified repair facility and furnish useful information to the mechanic who is going to perform the needed repairs. Additionally, the growing sophistication of vehicle systems will require specialized test procedures and/or testing equipment to adequately perform repeatable, objective measurements of the functioning of safety-critical and emission control vehicle systems. High technology testing equipment can also more accurately detect vehicle defects which will minimize false passes and failures.

The 1990 Clean Air Act amendments require an enhanced emissions inspection program in New Jersey. As the Governor's Management Review Commission has pointed out, without the help of the private sector, compliance with the new Federal Clean Air Act could cost New Jersey as much as \$45 million more than the State is now paying.

Additionally, in areas like New Jersey which are required to implement enhanced emissions inspection, the Clean Air Act, passed in 1990 -- the amendments -- were very clear. Section 182(c)(3) of the Clean Air Act amendments requires operation of the program on a centralized basis unless decentralized will be equally effective.

In their National Air Audit System National Report, the Environmental Protection Agency said: "The audits provided convincing evidence that the most effective design -- for emissions testing -- is the centralized design, while the weakest program is the decentralized program with manual analyzers."

A paper presented at the May 1989 Society of Automotive Engineers meeting in Washington, D.C. noted that improved emissions inspection would probably cost \$40 to \$50 when performed on a decentralized basis by licensed private garages. In fact, performing the mandated emissions inspections in California in decentralized stations is already costing \$40 to \$50 per test.

The cost of compliance with the enhanced Federal requirements will compel many programs to move toward centralized inspections, possibly with the reinspection of failed vehicles permitted to be performed at licensed private garages.

Annual motor vehicle safety and emissions inspection programs: a) improve vehicle safety; b) produce environmental benefits; c) improve fuel economy; and d) save consumers money by detecting vehicle defects before they require major repair.

We would encourage New Jersey to explore the feasibility of adapting new technology which is available through private industry to improve its inspection program, both in terms of motorist waiting times and, even more importantly, in terms of achieving safer highways and cleaner air for the State at significant savings to the Treasury.

That concludes my remarks. Mr. Green will make a short statement, and then we will be glad to take questions.

**R O B E R T   W .   G R E E N:** Mr. Chairman and members of the Committee: I would simply like to point out that the figures you heard concerning the effectiveness of safety inspection in New Jersey are borne out in other jurisdictions as well. In light of the lengthy list of witnesses to testify today, I will not go into this in great detail, other than to note that in the State of Virginia, for example, 24.6% of the vehicles inspected are found to have bad brakes; 12% defective steering. In addition, the overall rate of vehicles being found to be defective has increased from 22% in 1982 to just over a third in 1986, showing that the defects are still with us in the cars operating on the highways.

In addition, in terms of public acceptance of periodic motor vehicle safety inspection programs, Commissioner Pat Adduci of New York reported in 1988 that 92.9% of New York motorists felt that PMVI contributed to highway and driving safety. I will furnish you a copy of the report she filed to that effect.

Similarly, John Dunkin of Colorado, Deputy Director of the Department of Motor Vehicles, reported that 80% to 90% of the people in Colorado, when surveyed, supported PMVI as well. And Lieutenant Bardall Hamilton, Commander of Utah's Highway Patrol, reported that in Utah there is a 68% acceptance level by the general public. As Lieutenant Hamilton indicated in his testimony to the NHTSA, there is a lower insurance cost in Utah, primarily because of Utah's inspection program.

SENATOR BUBBA: Is the converse true? Do you think we are going to have higher insurance because--

MR. GREEN: I think, Senator, it would be problematic for your rates to get much higher in New Jersey.

SENATOR BUBBA: I'll let the Governor know you said that.

MR. GREEN: In the final analysis, safety inspections add value for the motorists, because they perform the service of telling the motorist, once a year, as he has completed the inspection process, that his vehicle is in reasonably safe operating condition in terms of the major systems. In addition, a sophisticated inspection program has the capability of providing detailed diagnostic information about the vehicle condition and what may be needed to remedy any defects that have been found.

I would be happy to answer any questions.

SENATOR COWAN: Thank you, Mr. Green. Any questions, Senators? (no response) Thank you.

MR. HUGGINS: Thank you.

MR. GREEN: Thank you.

SENATOR COWAN: Next will be Peter Loeb, Professor of Economics, Rutgers University. Peter?

P R O F E S S O R P E T E R D. L O E B: Mr. Chairman and members of the Committee: I am Peter Loeb. I am Professor of Economics at Rutgers University, and I thank you for inviting me to discuss my research findings regarding the relationship between motor vehicle inspection and vehicle fatalities and accidents. I have prepared a short statement regarding my research which I would like to read, after which I would be happy to respond to any questions.

My research has been in the areas of applied economics, econometrics, and transportation safety issues. I have been involved in investigating the determinants of motor vehicle fatality rates and accidents since 1981. My research

indicates that states with vehicle inspection have significantly lower fatality rates than states which do not have inspection. This conclusion was arrived at based on econometric models developed to entertain this question.

More specifically, an econometric model of vehicle-related fatality rates was developed and estimated by regression analysis. The model includes a whole host of socioeconomic and driving-related variables which may have an impact on fatality rates. One of the variables investigated is that of inspection. The statistical procedure employed provides estimates of the independent effect of inspection on, for example, fatality rates and levels of fatalities.

Cross-sectional data for the year 1979 were employed for 46 states and the District of Columbia. Many different specifications of the model were estimated. The specifications differed from one another based on which explanatory variables were included or excluded, as well as their functional forms and how the dependent variable was measured; i.e., fatality rates, fatalities per capita, etc. The coefficient associated with inspection was then examined. It is important to note that the coefficient associated with inspection always indicated that states with inspection had lower vehicle fatality rates than states without inspection. This stable result across the alternative specifications lends confidence to the inference that inspection does, indeed, have safety effects.

My studies using cross-sectional data indicate that states with inspection experience have, conservatively, 137 fewer fatalities per year than states without inspection.

To add further confidence to the above results, a set of specification error tests developed by Ramsey -- 1974 -- were employed to examine many of the models for potentially serious specification problems. These statistically powerful tests are used to evaluate the models for omission of important

variables, errors in specifying the structural form of the models, and simultaneous equation problems. These state-of-the-art tests suggest that the models are correctly specified.

In addition, an extreme bounds analysis was conducted on the basic fatality rate model. This could be viewed as a more extensive version of the prior mentioned stability analysis. Once again, we find the effect of inspection to be non-fragile; that is, it always has a reducing effect on fatality rates. Hence, state-of-the-art econometric techniques which are statistically powerful find inspection results in a reduction of motor vehicle fatalities and fatality rates using cross-sectional data.

In addition to the cross-sectional models discussed above, we have developed econometric models for the effect of motor vehicle inspection in New Jersey using time series data. Some of these results, along with some of those associated with the cross-sectional models, were originally provided in a report entitled, "Comprehensive Analysis of the Motor Vehicle Inspection System," submitted to the Department of Law and Public Safety, Division of Motor Vehicles in 1982. These models indicate that the coefficient associated with motor vehicle inspection is negative and statistically significant across a large set of alternative specifications after accounting for the effects of a whole host of socioeconomic and driving-related variables, as well as a proxy for technology.

Hence, once again, the models indicate inspection is effective in reducing fatalities and accidents. In addition, specification error tests were also applied to some of these models and these tests once again failed to reject the models examined for specification errors.

Finally, I have just completed an econometric study of the influence of motor vehicle inspection on fatalities and fatality rates using aggregate time series data for the United

States. The study makes use of data for the time period 1952-1985. Once again, we find stable results showing inspection leads to a reduction of fatalities and fatality rates. These results are supported by specification error tests as well.

Hence, both time series and cross-sectional studies find inspection effective in reducing fatalities and fatality rates. This conclusion is reached using state-of-the-art econometric techniques which are statistically powerful.

Let me conclude my discussion with a few words regarding the partial costs and benefits of inspection in New Jersey. We have estimated the partial cost of inspection in New Jersey using 1981 as the reference year to be \$83.5 million. These costs include: the cost of operating inspection facilities by State agencies; the opportunity cost associated with time spent bringing vehicles for inspection; the opportunity cost associated with time spent waiting during the inspection process; and vehicle usage costs associated with the inspection process.

With regard to the benefits of inspection, we note that motor vehicle accidents resulting in fatalities, injuries, and property damage impose financial and nonfinancial costs on individuals and society. These costs include the reduction of society's output, property loss, pain and suffering, and medical expenses which otherwise would not have been incurred had the accident been avoided. The avoidance of these costs due to motor vehicle inspection are benefits due to inspection. We have estimated the present value of the income stream lost by victims of fatal accidents in 1981 dollars based on the work of Hartunian, Smart and Thompson, 1980. A conservative estimate of \$271,454 per fatality was calculated.

In addition, we have estimated, among other things, the benefits of the avoidance of property damage to inspection. Our estimates suggest partial benefits due to

inspection exceed the costs. Our estimates of benefits range from \$86.4 million to \$111.5 million depending on the model used in the estimation process, as well as what is included in the calculation; i.e., just fatalities avoided, or fatalities and property damage avoided, etc. As such, we find the benefit/cost ratio associated with inspection to be greater than one; that is, benefits exceed costs even when using my conservative estimate of the statistical value of a life, without considering such items as pain and suffering.

The estimate of partial benefits due to inspection is dependent not only on the model used in the analysis for fatalities, accidents, etc., but also on the estimate of the statistical value of a life employed. We have used a conservative estimate of the statistical value of a life, somewhere in the neighborhood of \$270,000. Alternative estimates are available; for example, estimates based on the willingness-to-pay concept. Recently, Atkinson and Halvorsen estimated the value of a statistical life to be \$3.357 million in 1986 terms. The use of such an estimate would clearly amplify the benefits of inspection.

In conclusion, my research has empirically established that motor vehicle inspection has a significant negative effect on automobile fatality rates. Furthermore, motor vehicle inspection appears to be cost-effective in the State of New Jersey.

For your reference, I have provided your aide with several journal articles which expand on these issues. Thank you.

SENATOR COWAN: Thank you very much.

PROFESSOR LOEB: Thank you, Senator.

SENATOR COWAN: Next we will have Jack Hesse and Tom Collier, Hamilton Test Systems, Tucson, Arizona.

J A C K E. H E S S E: Thank you, Mr. Chairman. Senators, good afternoon. My name is Jack Hesse. I am the Vice

President for Marketing for Hamilton Test Systems. I have been in this business since we formed Hamilton Test Systems in 1974, and actually moved from Connecticut to Arizona to establish the first contractor-operated program. Currently, Hamilton is doing the testing in the entire State of Connecticut. We operate 19 stations and 46 lanes there. We are doing the testing in the Cleveland, Ohio area, in Nashville, and in the greater Milwaukee, Wisconsin area. We operated the Arizona program successfully for 15 years.

If I might digress on a point that was raised by an earlier witness, we have a great sensitivity to people. We lost the Arizona program to a newer, smaller competitor who did not wish to, for example, pay benefits to his employees. We were underbid there by about \$1.50 a test in the last competition. We did not wish to dismiss our senior employees, who had by then accumulated a lot of benefits toward retirement and increased wages. We were the envy of the state employees in Arizona because we had better benefits paid to our employees than the state employees had. We had full medical, dental, life insurance, and we believe we paid substantially good wages, given the economy we are operating in.

I would also like to point out on the issue of wages, that most impressions I think you have are from emissions only programs, where the inspector is only required to place a probe in the tail pipe and punch some buttons and prepare a report. Given your safety inspection program, or any improved safety inspection program involving mechanical inspections under the body of the car and under the hood, I believe you can expect to see higher wages because the degree of skill required for those inspections is generally higher than the degree of skill required for pure emissions inspections. So I do not believe it should be a foregone conclusion that the contractor would come in and displace a lot of State employees with lower paid contractor employees with no benefits.

We have done 50 million tests in our history. We are doing five million a year right now. I would like -- as an aside -- to invite any of the Senators who wish to, to visit our program in Connecticut. We have a safety program demonstration -- a volunteer program -- along with the regular Connecticut emissions program running, for example, in Darien, a fairly short trip. We have also established, designed, and we maintain the system used to test all the yellow taxicabs in New York City. Those vehicles are tested three times a year, starting about a year ago. We are operating a five-position safety and emissions test lane there. We can arrange visits there also.

Historically, we have also operated programs in southern California and in Albuquerque, New Mexico, and we have done a lot of demonstration programs in, for example, Houston, Texas.

We did have an opportunity to present data to your Management Review Commission. I don't want to take your time to repeat that data. Some of it is in my report.

I would like to focus my remarks-- I am not reading them verbatim because I want to bring out some points in response to previous testimony. There are really three things that we can do for -- or a contractor can do for the State by privatizing the system. First, in response to your Attorney General's comment about costs, we can put up front-end money and save you a large appropriation. To give you a frame of reference, we constructed from scratch, in 1982, the Connecticut program which, at that time, was an 18-station, 44-test lane program. We do two million vehicles there now. We invested, of our own money, about \$30 million to start that program up. That was emissions only, but it did use dynamometers in a sophisticated test with a report that gives you not just an indication that you passed or failed, but it gives you the numbers. I mean, we think the motorist likes to

know whether he passed with flying colors with almost zero emissions, or whether he was on the margin, if he did pass marginally.

We charge for that service, in Connecticut, \$7.79. We collect a \$10 bill from the motorist and the state keeps \$2.21 for its own purposes to pay its administration and surveillance. An earlier witness called in the question, "Who watches the contractor?" The state watches the contractor, as it does all of its contractors. It performs surveillance and inspections of its inspection force. So, we bring money.

Secondly, we sincerely believe that we bring high technology. We have done, in all of our programs, dynamometer tests. We can measure, as we did in California and recently in a pilot program in Milwaukee, oxides of nitrogen, which require a dynamometer. We have, in the State of California, conducted an elaborate under the hood inspection with the use of computer-aided graphics, to show the inspector what to look for under the hood. We are familiar with the use of sophisticated, modern brake testing devices. The one here in New Jersey-- I just visited one of your stations this morning, which is a beautiful physical plant. It is more than adequate in the length of the lanes, but someone has to stand there and read mercury monometers and judge whether they bounced over the line or not. There are systems available that will give you an automated pass/fail printout of the brake results and tell you whether it is the left, right, front or back. That is information useful to the mechanic in making the repairs.

SENATOR COWAN: Does that include vehicles with front wheel drive?

MR. HESSE: Yes, you can test vehicles with front wheel drive, certainly on the brakes. We test front wheel drive vehicles on dynamometers, measuring emissions. In fact, we have recent patterns that make it easier to do that. Normally the motorist can actually drive that test.

We don't know yet what the EPA rules are, as many people have pointed out. We think we can guess pretty well, you know, what they are going to suggest in the way of the technology of the tests. I mean, they have published six different test modes, some of which do not involve dynamometers and some of which do. Beyond what EPA is going to suggest, or require, the State of New Jersey obviously has to consider, as many witnesses have testified, the continuance of the safety inspection, and what kind of safety inspection you want. Do you want to go back to testing headlights, for example? Do you want to do a computerized brake test? And, how are you going to implement the role of the garages?

Let me stop there for a moment. You know, we are an inspection company, and inspection doesn't do any good. It is really only the repairs that bring the vehicle back into compliance for either emissions or, you know, the repair of safety defects. You need, and you have a sophisticated repair industry. The State of Ohio, for example, where we operate, allows the reinspections to be done in the garages after the repairs are made, and the garages get to use their equipment, charge a fee for those reinspections, and, of course, they have to do the repairs. So they are part of the team whether or not they do the inspection, and they can be allocated reinspections, or there are options in-between that you can consider, such as allowing the repair industry to retest for relatively minor defects, like blinker lights that are out, or headlights that are out of alignment or adjustment. You may want the motorist to come back to the main inspection facility for a serious defect in brakes or after an accident. So, there are many options.

A lot of words have been said about the cost, the fee, which is certainly central to the Governor's issue. That is really an "it depends" question, and it depends on your policy choices. Are you going to require, for example-- You can

require in the bids specifications a solution to the work force problem. You can say, "The inspector who wins this has to hire experienced people and give them benefits," and you can specify what those benefits should be. You could even specify that the contractor will absorb some percentage of the State employees. You can make those rules, and we, as contractors, are happy to see that. We want to treat our employees well, and we want to have good qualified employees. It is only when we get into a situation vis-a-vis other contractors who want to lowball their wages and benefits that we have to either not compete at all or get into that kind of a game. We at Hamilton want to, and have provided our employees with substantial benefits.

You have to make the rules on the types of safety inspections. We had words here from a gentleman a while ago about pits and underbody inspections, and we favor that. But that costs a bit. You have either a pit or a lift in the lane and someone is going to go down in that pit. That person is going to be a mechanically qualified person. He's got to know what to look for under a wide variety of vehicles, even though we are going to give him some graphic aids to do that.

Do you want to test diesels? We tested diesels for eight years of our 15 years in Arizona for emissions. You are now testing school buses. Do you want a contractor to do that, or will that remain a State activity? There are many, many choices. How are you going to collect the fee? That has been discussed. We have done it, and from our standpoint we can do it anyway the State desires. I told you we collect a \$10 bill in Connecticut and give the state \$2.21. When we operated in Arizona we kept all the money that we collected, which was just for the contractor's fee. This was \$7.50 in our last program. In Wisconsin, the state attaches the fee to the motorists' registration. We just send in a bill every month and we get paid by invoice, you know, based on the number of tests, from moneys that were otherwise collected, or money can be appropriated.

The final thing we can do -- which is really important, I think, in New Jersey and central to your issue -- is escalate the level of convenience. Let me define that: Even given that we are operating the same number of lanes, with the same efficiency that you operate under now, it is very easy for us to offer extra hours. Most industry likes to operate more than one shift because it maximizes, in an economical way, the use of expensive capital facilities. We operate, in all of our programs, some hours until 7:00 at night. We operate in Connecticut all day, every facility on Saturday. The state there chooses to operate Tuesday through Saturday for the convenience of the people who cannot come during working hours. In Arizona, we operated a third of the stations on Saturday because we found that that was commensurate.

But, by the intelligent application of part-time and well-designed overtime for our employees, we have flexibility in operating the right number of hours. We think we can escalate the level of service through the reporting that we give the motorists, whom we call customers. By giving them full data on their test, we don't say you passed or you failed brakes, or you passed or you failed emissions. We give them the numbers, and that helps their mechanic to determine the repairs. A lot of emissions repairs are replacing air filters. You know, if you are just going to fail carbon monoxide marginally in idle, that is all you need. But if you are failing horribly on hydrocarbons in a loaded mode or otherwise, you might have a missing spark plug, or a misfiring spark plug, and you are dumping fuel through the exhaust. So we think it is important to raise the ante on the service we give people by the degree of intelligent reporting that we give them.

An important element in your cost equations is, what are you going to do with the State facilities? I have observed, as recently as this morning, at the one station we saw-- Tom, that was the--

T H O M A S C O L L I E R: The Bakers Basin Station.

MR. HESSE: --the Bakers Basin Station, that you are already using a large portion of that facility for drivers' licensing and non vehicle inspection functions. You are going to want to keep control of those buildings and presumably lease them to the contractor. You can lease them for a dollar a year and make the fee less -- the fee the contractor charges you -- or you can lease them at market value and recover some immediate return on a past investment. Those are options that are clearly totally up to the policy-making that you are doing to do, but those are things that the contractor needs to know to establish a fee.

I think that is really a summary of the main points I wanted to make. The contractor has great flexibility to do a lot for you. He can work with inspections in garages, or without. He can work extra hours. He can work different investment schemes, different leasing schemes, different flexibility to test different vehicles.

I am going to stop there. I have handed in a copy of my prepared statement for each of you, with some other information on our other programs. I will be happy to answer any questions I can.

SENATOR COWAN: Are there any questions? Senator Girgenti?

SENATOR GIRGENTI: Yes. When you started your presentation, you mentioned the fact that the people who are hired by you would be on a comparable level with State employees.

MR. HESSE: They can be; they can be. What I said specifically was that, for example, in our Arizona and Connecticut programs, we had outstanding benefits. They were the envy of the state employees.

MR. COLLIER: They were better than the state employees.

MR. HESSE: Better than the state employees -- full medical, retirement, dental. Those were great benefits. What I said was, depending on how you specify your program and what you want, you can make the bidders say, "I am only going to hire people with experience in testing certain things." If you put the safety program in the centralized thing, you can expect a higher level of compensation because you will have a more skilled worker involved there.

SENATOR GIRGENTI: If this kind of a program came about, would you feel committed to the State in terms of employees who were -- let's say their jobs were being eliminated -- committed to making an effort to hire them?

MR. HESSE: The best answer I can give you is, you can make -- you, the State-- When you write the specification, you can make us be committed, or our competitors. We want it that way because--

SENATOR COWAN: So, you can make it part of the specs in the bidding process. What you are saying is, you can make it part of the specs in the bidding process?

MR. HESSE: Right. We want that in the specs because we are not going to be underbid by somebody who is going to be less committed.

SENATOR RICE: Yeah, but--

SENATOR COWAN: Senator Bubba?

SENATOR BUBBA: Thank you, Senator. Just a couple of things. First of all, you were kind enough to mention that we could go up to Darien, Connecticut--

MR. HESSE: Yes.

SENATOR BUBBA: --and take a look. Senator Girgenti asked me to ask you if you had an operation in Rome? (laughter)

MR. HESSE: In Rome?

SENATOR COWAN: Rome, New York, I think he is talking about.

SENATOR BUBBA: Since this is being recorded and transcribed, let me say that that is a joke.

MR. HESSE: Okay.

SENATOR BUBBA: I have a couple of questions.

MR. COLLIER: We have one in Taiwan. Will that do?  
(laughter)

MR. HESSE: I didn't mention it verbally, but it is in my written statement.

SENATOR BUBBA: First of all, you indicated before that we really do not have a feel for when the EPA requirements will come down. I mean, generally we don't. Do you have any kind of a feel yourself, I mean, being in the industry?

MR. HESSE: I think that needs to be divided into two parts. I mean, there are certain EPA issues that they are going to argue: decentralized versus centralized, annual versus biannual. Those are going to be policy issues that will-- You will get some guidance, hopefully, in the middle of the year.

As far as the technical requirements of the test, I think that information is pretty firm. I mean, the EPA has published six optional tests that it would like to see on the newer vehicles at least, and the EPA has enough stuff in traffic that I think your own staff can pick out the tests they want with a great deal of confidence. And, of course, the major cost options you have to address have nothing to do with the EPA. The safety testing is your own choice.

SENATOR BUBBA: Finally, this fee of \$7.50, or thereabouts-- It might be a couple of pennies more or less. Maybe it would be too detailed an explanation for now, but I would like to see something with reference to what exactly you do for \$7.50. Are you just inspecting emissions? Is it lights, brakes, emissions? Is it pretty much what we do today?

MR. HESSE: The \$7.50 number, or thereabouts, is an emissions number.

SENATOR BUBBA: Strictly emissions.

MR. HESSE: And we have given your Management Review Commission estimates, albeit they really are gross estimates since we do not know the specifics of what you really want in the upgrading of your test procedure and what you are going to do with the buildings-- But assuming, you know, that a market lease was paid on a building, as opposed to a dollar a year, I think you are looking in the \$12 range, maybe a little higher, for safety and emissions.

SENATOR BUBBA: For safety and emissions?

MR. HESSE: Yes, and it could come down a little, given, you know, the cost of the buildings. That is also influenced by what you write about the employees. You know, if you make everybody pay the State rate right now for employees, that could push it up a little bit, but it won't be out of line. I mean, it will not be a disaster.

SENATOR COWAN: You're saying \$12, as the Senator has mentioned, for both -- emissions and safety, \$12.

MR. HESSE: Beg pardon?

SENATOR COWAN: Emissions and safety, \$12?

MR. HESSE: Yes. That is an estimate with a lot of variables, but--

SENATOR COWAN: An estimate, yeah.

MR. HESSE: --it is a ballpark figure compared, let's say, to \$7.50 for emissions.

SENATOR BUBBA: That's an estimate without a market lease?

MR. HESSE: No. That could be with a market lease.

SENATOR BUBBA: So you're saying it would cost somewhat less than \$5 to do safety inspections?

MR. HESSE: Given emissions first. I mean, I could give it to you the other way and say it would cost \$8 for safety and \$4 or more for emissions. Given that you have the facilities built, or available in some way for one, you know, it wouldn't take much to add the other.

SENATOR COWAN: Senator Rice, do you have a question?

SENATOR RICE: Oh, yes. The type of work you are doing-- Could you tell me, from an affirmative action perspective, how many minority companies you know, if any, that are capable of bidding on this process, and what is your relationship with all these cities in Taiwan, New York, Arizona, whatever, in terms of minority participation? You see, one of the problems I have with contractors in Newark -- where we have a contract for our garbage-- They said, "We are going to take the workers, but we will hire them." They did, for about two weeks. And do you know what? They still have minority participation; that is the game they are playing, but they don't pick the garbage up, and things are worse. It was costing us more in the long run, so we've got to back up what they do.

My question is: From an affirmative action perspective, from a bidding perspective, you know, what does your industry look like?

MR. HESSE: This is going to sound like I asked you to ask that question, Senator, but our company was owned wholly by United Technologies, formerly United Aircraft, until December 21, 1990 -- last year. We have been acquired by an investment group headed by a company called Georgetown Partners, which is, in turn, headed by Chester Davenport, our new Chairman of the Board. We qualify as a minority-owned company as Hamilton Test Systems.

MR. COLLIER: Based on sales, we are in the top 20 of the largest minority-owned enterprises in the country.

SENATOR RICE: Minority-owned partners in the country?

MR. COLLIER: The top 20, calculated by sales, minority-owned enterprises in the country, yes.

SENATOR RICE: Yeah, well, the sales we will get to later. That is the economic side. I am looking at the pigmentation side. (laughter) Could you send me the data?

Through you, Mr. Chairman, could you send us information on how you rate as a minority, and who the participants are, so we can talk?

MR. COLLIER: We would be glad to.

MR. HESSE: Yes, we will be happy to.

SENATOR RICE: That is just a concern of mine.

SENATOR COWAN: You can forward that to Aggie.

MR. HESSE: Yes, sir, we will do that. Chester Davenport is, you know, our boss. He is a black man. He is a graduate of the University of Georgia, and served under the Carter administration. He would be happy to come to talk to you. If I had known you had that question, I would have brought him with me.

SENATOR RICE: Let me read about it before I talk to him, to make sure it is not a front. We have been through that, too.

MR. HESSE: It is not a front; it's solid.

SENATOR COWAN: Financially and otherwise.

MR. HESSE: Yeah.

MR. COLLIER: Indeed.

MR. HESSE: I did not invite that question.

SENATOR COWAN: I assume from your testimony that you have various states you do the testing in. Is that a mixed group, both emissions and safety in all of the states, or do you have them broken out where you just do emissions in some states, and maybe safety in others?

MR. HESSE: The only state in which we are doing any significant safety inspections is Connecticut, where we have a volunteer program. All the equipment we are supplying to Taiwan, which is doing-- We have 19 lanes operating there. Those are full safety and emissions lanes. There are four New York taxi lanes. They are all very elaborate. They do a very elaborate safety inspection with very modern equipment. They do a taxi meter calibration on a dynamometer, and they do

emissions. So you can see our safety equipment at work in New York City or, for example, in Darien.

SENATOR COWAN: In Darien. Connecticut is the only state where you are doing safety and emissions?

MR. HESSE: Yes.

MR. COLLIER: In Connecticut, the safety inspection is voluntary. The emissions inspection is mandatory, and at the number of sites in Connecticut, if the customer wants to have the safety inspection, it is there available. There is no extra charge.

To answer Senator Bubba's question a little more clearly about, "What do you get for the \$7.50?" the vehicle inspection report is comprehensive enough that it can almost serve as a repair order. On the brake tester, for example, it will tell you which wheel you need to go to. The customer is not simply dumped on the repair industry as a happy hunting ground. He has specific diagnostic information about where to go on the vehicle to fix whatever it was that failed.

But in Connecticut, to get back to your question, it is a voluntary program.

MR. HESSE: I apologize for not introducing my colleague, who was originally on the agenda. Tom Collier is our Regional Marketing Manager for the East Coast.

SENATOR COWAN: Thank you very much. Yes, Senator?

SENATOR GIRGENTI: Yes, just one other question: In the report, I believe you said there are four companies in the country right now which do the bulk of this type of work. I assume you are one of them, right?

MR. HESSE: Yes.

SENATOR GIRGENTI: This would be the first time we would be going -- if we go in that direction -- from a public run system into a private system?

MR. HESSE: Yes. The first time it has been transitioned that way, yes.

SENATOR GIRGENTI: Would it be less costly to convert and to start up?

MR. HESSE: I think you are going to be less costly than you would be if a company such as ours had to go out and find the land and buy the land, go through zoning again, and build those buildings. I mean, you built those buildings a long time ago. If we had to do Connecticut again today-- We bought that real estate in 1982 and 1981. It would be more than \$30 million if we had to go out and do that again today, and we might not be so successful doing it. So you are going to save money and get a proper return, in one form or another, either out of the testing directly or out of your appropriation for the use of those buildings.

SENATOR GIRGENTI: The idea would be that they would lease the land to you, right?

MR. HESSE: Lease the buildings for a specified contract term. The cost is going to come back to you in a test fee. It is not going to be hidden. So you can make the lease and the test fee go up or down, depending on your decision there.

SENATOR COWAN: How many registered vehicles are there in Connecticut?

MR. HESSE: Two million.

SENATOR COWAN: Two million? And you do two million per year?

MR. HESSE: Yeah, and we do a million, more or less, in Ohio -- a little less -- and a little less than a million in Milwaukee.

SENATOR COWAN: But you do that every year in Connecticut?

MR. HESSE: Beg pardon?

SENATOR COWAN: In Connecticut, how many vehicles do you test?

MR. HESSE: Two million.

New Jersey State Library

SENATOR COWAN: Two million, the total registered number of vehicles?

MR. HESSE: Yes.

MR. COLLIER: All our tests are annual in all of the states where we operate.

MR. HESSE: Yes, they are all annual.

SENATOR COWAN: Okay. It has been requested that you get to us one of the inspection vouchers, or whatever you give to the vehicle that is inspected.

MR. HESSE: Yes, sir. We will be glad to do that for a couple of states.

SENATOR COWAN: A couple of those for description. If for nothing else, just for description, those that have not passed, you know, those which have been rejected, and others that have been passed, etc. We would like a variety of those. I think -- and the Committee will discuss it -- we would be very much inclined to go up to Darien. We will get back to you on that.

MR. COLLIER: I was going to reiterate that invitation, Mr. Chairman and Senators, because one look is worth a thousand hours of testimony. It really is.

SENATOR COWAN: Right.

SENATOR RICE: I am serious about the information I want. I would also like to have a copy of the annual financial statement. Okay? I want to make sure you are solvent. I want to see what your stockholders look like, in terms of your Board people. I am serious about this, you know. We know what to look for, but we just don't ask enough. Could you just get that in to us?

MR. HESSE: We will be happy to. You have to realize when you talk about annual reports, that this transaction occurred on December 21 last year. We did not publish a-- Our annual report looks like United Technologies' report for last year, but we have complete documentation on our ownership and

their background. We will get you that. And their share, how many stocks--

SENATOR RICE: Since I have been so--

SENATOR COWAN: Is it private?

MR. COLLIER: It is private.

MR. HESSE: It is private. We will send it to you, but hopefully you will treat it privately.

SENATOR COWAN: Yes, okay.

SENATOR RICE: Well, the only thing is, please send me both. I am analytical. I am sure there have been public annual reports in the past. Just send me a series of things that I can analyze. Believe me, I can do that stuff. Believe it or not, I can analyze.

MR. HESSE: Okay, we will be happy to. We'll even have Mr. Davenport visit you and explain it to you, if you would like.

SENATOR RICE: No, no. I would rather read first.

SENATOR COWAN: Thank you very much. Thank you, gentlemen.

MR. HESSE: Thank you, Senators.

SENATOR COWAN: What we will be doing-- We are actually going to cut off the hearing at 5:00 this evening. I know people have been waiting very patiently, but we don't want to run past 5:00. There are a number of things that have to be done with some of the Senators. But we will pick up right after that with our next Committee hearing scheduled--

MS. SZILAGYI: March 11.

SENATOR COWAN: --March 11. Okay?

Next we will have Jim Appleton, Automobile Association of America, New Jersey Chapter.

J A M E S B. A P P L E T O N: Good afternoon, Mr. Chairman and members of the Committee. I am Jim Appleton. I am with Public Strategies, and we represent the AAA auto clubs of New Jersey; that is, the six American Automobile Association

affiliated auto clubs here in the State. Together they have more than a million members throughout the Garden State.

I know you are pressed for time, so let me try to just make a couple of points very quickly. I know you have heard a lot of testimony here already this afternoon. Perhaps that will give some other people who have come down here a chance to address this Committee as well.

For quite some time now, the AAA has been concerned about the safety inspections, particularly with respect to the equipment and technology that is used to test brakes in the State of New Jersey. A few months back, as you all know, the Governor's Management Review Commission took a look at the current inspection system and the pending requirements under the Federal Clean Air Act. It became clear that some changes were going to have to be made in the auto inspection system.

At the time that that was announced, it appeared as though there was a desire, perhaps, to go toward emissions only testing. From the AAA point of view, we would object to that. Quite frankly, we see you at kind of a crossroads now. Federal requirements are obviously going to force some investment and some restructuring of the air emissions testing component of the inspection system. We think it is a good time to look at upgrading and improving the safety inspection components as well.

Depending on the studies you look at, traffic safety experts will tell you that somewhere between 85% and 95%, or more, of all automobile accidents are caused by driver error. So obviously the most important component in any car is the driver. But if you look at the 15% of the remaining accidents that may be related to some sort of mechanical failure, the overwhelming majority of those accidents are caused by brake failure. If you are going to restructure your auto inspection system here in this State, obviously you want to look at restructuring that provides for some sort of a intensive and technologically sound inspection of the brakes.

It is our understanding -- I am not a traffic safety expert or an engineer -- from the people in the AAA and from other traffic and safety engineers, that the current system of testing brakes in the State just isn't doing a good job. We really ought to think not about eliminating safety inspections in the State, but about beefing them up and improving them in a way that would really ensure that the motorists get what they think they are getting.

Let me just say that from the polling we have done of our members-- I guess the last time we did a survey of the AAA membership in the State was back in 1989. Perhaps surprisingly we found that probably 90% of all AAA members -- and I think they are characteristic of motorists throughout the State -- supported strict emissions testing; that is, they support clean air, and they want their cars to contribute to cleaning up the air. They do not want to feel that their driving is creating an environmental problem in the State.

About 80% of the people we polled -- AAA members statewide -- said they liked strict safety inspections. They liked having their cars tested every year. It gave them a sense that they were helping to improve highway safety as well. From your point of view, I think you should be comfortable in the fact that New Jersey motorists support strict emissions testing, which will be required under the Federal Clean Air Act, and they support retaining some sort of safety inspections.

From the AAA point of view, I would just tell you that the current system of testing, brakes in particular, is not doing the job. I think we need, as we go into this phase of restructuring, to look at how that is done and come up with a better way of doing it, so that the comfort that New Jersey motorists take in going through this inspection is not just a charade, but, in fact, is providing them with the kinds of highway safety protections that they are really looking for.

On behalf of the AAA, therefore, let me just conclude by saying that we urge you to continue looking at this restructuring. But as you do so, we urge you not to eliminate safety inspections; to retain and strengthen safety inspections, along with meeting the new Federal requirements for emissions testing.

If there are any questions, I would be happy to answer them.

SENATOR COWAN: Are there any questions from the Committee? (no response) Thank you very much, Jim.

MR. APPLETON: Thank you.

SENATOR COWAN: Next we will have Stephen Carrellas, National Motorists Association.

S T E P H E N G. C A R R E L L A S, P.E.: I am Steve Carrellas. I am the New Jersey Chapter Coordinator of the National Motorists Association. I am here today representing the motorists' view on the issue of changing the current combined emissions and safety inspection system.

I have to admit from what I have heard so far, I am fairly alarmed. Rather than trying to address some of the individual points I found alarming, I think what I plan to do is give you a big picture. I think you will see what I mean.

The one thing I do want to comment on is, a lot of assumptions were made about what the motorists' want. I don't believe they are true. I believe many of them are very self-serving. Let me just define this Governor's proposal we are talking about. In our mind, it is the enhanced emissions inspection because of the Clean Air Act and eliminating the safety inspection component as it exists today. We support this change, with little or no hesitation. That is unusual. Since the Legislature must be the ones to take the action to change the safety inspection component, I want to spend most of my time focusing on the safety issues. It is very easy to be misled regarding the actual costs and benefit of safety inspections.

Very quickly, some general comments on emissions testing and contracting with the private vendors: We support the part of the plan for the biennial inspections of cars less than five years old, and believe that this can be further enhanced given the effectiveness, durability, and tamper resistance of the engine management controls on today's cars.

Now, we are alarmed at the environmental lobby that has concern that the biennial testing will be detrimental to New Jersey's air quality. We are trying to figure out who they are trying to kid.

I will briefly talk about contracting with private vendors in a centralized role as the solution, or part of the solution. Aside from the experience of the proposed vendors, and the cost advantage to the State, the flexibility in serving the motorists will be the greatest benefit. Can you imagine Saturday hours, nighttime hours, even inspection by appointment that is a State service? If the State can successfully meet the needs of the motorists in light of a federally mandated inspection program, I think everyone can be happy -- well, almost everyone. I know a number of DMV employees in gas stations and garages who now do the primary inspections-- They may not be too happy. We think the owners of the millions of vehicles in this State should take priority on this issue.

On to safety: The Association's position on periodic safety inspections is that they are expensive, inconvenient, and ineffective. No wonder 10 states dropped them since 1976. We estimate that the hidden costs of the current system in New Jersey to be \$100 million in people's time and costs in having to go through the yearly ritual. This does not include the cost of the inspection system or direct or indirect inspection fees. Keep in mind that these hidden costs are still going to be with us, because the State will continue doing emissions testing.

Which brings us to a real temptation. With a car already at the inspection station, there will be a temptation to do some safety checks. Now consider that of the 33 states and the District of Columbia that must do emissions inspections because they are in designated non-attainment air quality areas, 18 of them inspect for emissions only, with no additional safety inspection. This is a common practice.

Now, ultimately we can support some critical safety checks while the car is undergoing emissions testing, as long as there is little or no direct additional costs or time for doing so. We are encouraged that the current discussions are focusing on the checking of tires and brakes. As the data we will provide you supports, the quality and durability of brake systems and tires together account for about three-fifths of the cases where vehicle components are implicated in auto accidents.

Realistically, you can't cost-effectively do useful brake testing until you get into this dynamometer need, but tires will be easy to check. Keep in mind that these days we are not worried as much about blowouts, but we are more worried about tread wear, even the contribution the trend plays when the road is wet.

As for other parts of the Governor's plan, we fully support the component to increase public awareness of the need to properly maintain the safety-critical components of the vehicles. We would like to see this linked with advanced driver education programs, and we will plan on doing so in the programs we sponsor.

I have provided the Committee -- the Committee aide has them -- with summary compilations of nine research studies on periodic motor vehicle inspections. They span from 1967 to 1990. I will hit some of the key points, but I encourage you to read the compilation of data during your deliberations to see for yourselves that inspections have no significant impact

on the number of motor vehicle accidents. In fact, the 1981 Pennsylvania study will clearly counter Professor Loeb's findings with some fairly intensive mathematics as well.

Let me start by alerting you to the uncertainty of the claim benefits for vehicle inspections. The infamous General Accounting Office Study -- the blue one that everyone has been waving around-- They came out with an interesting finding last year that from the studies they looked at -- that people probably won't tell you about-- They concluded that none of the studies produced a reliable estimate of the magnitude of accident reduction that could be expected from an inspection program. They point out that various studies place accident reductions as low as less than 1% to as high as 27%.

What seems to be the problem with all this? Why can't they get a good estimate? Data limitations, difficulty in accounting for the various factors that can affect accident rates, and methodological problems. Those are the things that prevented determining an accurate measure of the magnitude. When a study is being pushed that claims a great benefit to periodic vehicle inspection, I urge you to take it with the appropriate grain of salt, and also beware of anecdotes, you know, the stories here, the stories there. They seldom provide a system to deal with the problem.

The GAO also made the same recommendation as the Governor, the promoting of the public awareness of the need to properly maintain the safety-critical components. So our conclusions and recommendations-- We have concluded that accident causation factors attributable to vehicle factors range from 2% to 3%, regardless of whether a state does periodic inspection or not. This finding is supported by over 20 years of trend data from throughout the United States and from New Jersey DOT accident statistics that are available to you.

As a result, we recommend that the State not invest in a safety inspection program that can never have any real impact. Even with annual tire and possibly brake tests, there is no real assurance that a significant impact can be made. In general, the reliability or effectiveness in detecting and correcting a vehicle component failure is pretty poor. Regular maintenance of a vehicle is really the only way to improve the ability to detect and correct potential failures. And, to be honest, I don't know if I would want to trust most of the State or private agencies doing a useful inspection on my car.

Over the years and continuing into the future, vehicle quality has increased substantially, and with better quality new cars come with longer warranties, most with a minimum of three years now. In order to keep the warranty in effect, regularly scheduled maintenance is required. This will certainly aid in keeping the vehicle safer. Just a component.

I will leave you with this. There is one message I would like to impress upon you, and this is it: If you want to spend money on improving overall highway safety, there are much better places to spend it than on motor vehicle safety inspections.

Thank you.

SENATOR COWAN: Thank you. Any questions? Senator Bubba?

SENATOR BUBBA: Aggie just told me that you are going to ask a question, so I won't ask it.

SENATOR COWAN: No, go ahead; go ahead.

SENATOR BUBBA: All right. A couple of points: First of all, you represent what group?

MR. CARRELLAS: The National Motorists Association.

SENATOR BUBBA: How many members do you have in New Jersey?

MR. CARRELLAS: In New Jersey, the full membership of all the benefits? About 2000.

SENATOR BUBBA: Two thousand members?

MR. CARRELLAS: That's right.

SENATOR BUBBA: So I can make the presumption that you really do not speak for New Jersey. You speak generally for some motorists.

MR. CARRELLAS: I speak from the data. As far as the data talking about the Garden State, it supports what I said. I am speaking from research over 20 years, just to differentiate it from--

SENATOR BUBBA: All right. So you have done research. Have you even done any polling in New Jersey to determine whether or not the general driving public wants, or does not want safety inspections?

MR. CARRELLAS: I do not have a poll of the general driving public. This is one of those things where you can talk about a lot of different situations, put it all together, and come up with a conclusion. One conclusion is that people who get their cars maintained-- It is a waste of their time to have to get them inspected.

SENATOR BUBBA: No, no, no. Now please answer my question. My question is very simple. I speak for New Jersey. I don't know what goes on in other states. Has your group, in any official capacity, done anything to verify whether or not the driving public of the State of New Jersey wants or does not want safety inspections?

MR. CARRELLAS: I think I answered that question before. We did not poll the State of New Jersey to get that answer.

SENATOR BUBBA: Okay, thank you.

SENATOR COWAN: Senator Rice?

SENATOR RICE: Mr. Chairman, just very quickly-- This question is really going to the Committee. We are going to evaluate information, but cautiously, because some states do not do inspections. What you are implying is that your

research has shown you that somewhat across-the-board, accidents are pretty much there anyway. Other states do inspections.

But, let me tell you something: You have not convinced me that in New Jersey, even though the number of accidents per year is somewhat constant, give or take, the mere fact that we require inspections has not prevented-- We have a lot of folks who understand car noises, car movements, etc., but the mere fact that we require inspections forces people to respond to some repair shop or someplace to get their vehicles checked. Those brakes and other systems may function at a given time when one is in traffic, or what have you, because we have made them do that. You would not be able to measure that. It's like having a cop on the corner with a blue uniform trying to determine how much crime that deters, without locking somebody up.

I just think we need to be cautious with the information. That is why we are here. I would like to see any New Jersey data you have.

MR. CARRELLAS: As I said in my testimony, I hope you will look at-- I tried to summarize nine research studies over 20 years to give you a broad feel for the kind of ways they looked at the problem. I think after reading it you will come more around to my way of thinking.

SENATOR RICE: Do we have that?

MR. CARRELLAS: Yes. I didn't want you reading that while I was trying to talk to you.

SENATOR COWAN: That has been distributed to the Committee members. Thank you.

SENATOR GIRGENTI: Mr. Chairman?

SENATOR COWAN: Yes, Senator Girgenti?

SENATOR GIRGENTI: Just one question: I think, if I heard correctly -- and we have heard a lot of testimony already -- the individual from the AAA said that roughly 5% to 15% of the accidents are caused by brake failure.

MR. CARRELLAS: The annual New Jersey DOT statistics -- I think he was even referring to them -- back in '88 when they were considering reducing checking lights and things like that-- Three percent was the number for New Jersey that was related to causation of a vehicle defect that actually would cause an accident. Remember, we can find defects in cars. If they are going to lead to an accident, that is a different issue.

MR. APPLETON: (speaking from audience) I think, if I may, Mr. Chairman-- What I said was, depending upon the safety expert engineering study, somewhere between 15% -- somewhere between 5% and 15%, or less, is caused by mechanical failure. The overwhelming majority of those are charged to mechanical failures -- brake failure-- (remainder of comment indiscernible; witness not using microphone)

MR. CARRELLAS: The data I have provided you does have some breakouts of the contribution of brakes, steering, and tire components, too. I am a professional engineer, so I do have the background to understand the--

SENATOR GIRGENTI: Your figure, you said, was 2% to 3%.

MR. CARRELLAS: Yes.

SENATOR COWAN: Thank you very much, Stephen.

Our next -- and I think he will be our final witness today -- will be Rob Stuart, New Jersey Public Interest Research Group. As I say, Rob will be our final witness today. We will be meeting again on the 11th to continue the hearing.

R O B S T U A R T: I guess I get the last word.

SENATOR COWAN: Maybe.

MR. STUART: For today. Mr. Chairman and members of the Committee: My name is Rob Stuart. I am the Program Director for New Jersey PIRG -- the Public Interest Research Group. We are a nonprofit, nonpartisan research and advocacy organization with over 70,000 members in this State. On behalf

of New Jersey PIRG, I want to thank you, Mr. Chairman, and the Committee, for affording us the opportunity to address the question of mandatory vehicle inspection in New Jersey.

I will skip through a lot of the introduction and sort of get to what I would like to be the heart of my testimony, which is to focus on the air pollution problem and the risk to human health, as well as the fact that car and truck emissions are a significant source of these dangerous substances. I would urge the Committee, in their deliberations, to move toward an improved and effective emissions testing, but further, to require stricter manufacturing and manufacturer enforcement standards.

I want to conclude by suggesting that the reports -- and I won't go into them because they have been covered, I think, adequately -- do show that safety inspections play, in fact, a significant role in protecting public safety.

According to the EPA, air pollution is the greatest risk to public health. While the number of unhealthful days in New Jersey has declined from the high of 188 in 1988, we still are out of attainment for two substances -- ozone and carbon monoxide. Ozone, a primary component of smog, is an intensely reactive gas which is formed when two other pollutants -- hydrocarbons and nitrogen oxides -- combine in the presence of sunlight. Because it is so reactive, more than 90% of the ozone inhaled by humans, in fact, stays there. It is never exhaled. Instead, it remains in the body and reacts with lung tissue.

According to the U.S. Centers for Disease Control in Atlanta, ozone is nearly as effective at destroying lung tissue as mustard gas. Children are particularly vulnerable to the effects of ozone, as well as the elderly, who are at risk since their weakened immune systems leave them vulnerable to respiratory infection brought on by ozone exposure. Ozone also damages trees, crops, and building structures. Forests have

declined; crop yields have been diminished; and our own State House dome has been tarnished by ozone pollution. Carbon monoxide -- CO -- is a colorless, odorless, and poisonous gas produced by the incomplete combustion of carbon. Its danger derives from the fact that carbon monoxide is more readily absorbed into the bloodstream than is oxygen. Exposure at even low levels of CO interferes with the body's maintenance of normal oxygen levels, producing impaired perception and thinking, slowed reflexes, and drowsiness.

Nitrogen oxide is a yellow and reddish brown gas which is formed in the air by the chemical reactions of other nitrogen oxides. It also interferes with the oxygen-carrying capacity of blood. Nitrogen oxide and related gases are also involved in the formation of ozone and acid rain.

Why talk so much about these particular substances and air pollution problems? Because cars, trucks, and buses -- these mobile sources -- are one of the chief sources of all of these -- hydrocarbons, nitrogen oxides -- which are the main precursors of ozone, as well as the largest source of carbon monoxide. New Jersey has the highest density of motor vehicles in the nation. In short, there are 146 vehicles for each mile of the State's 33,883 miles of road.

In addition to the hazards I have outlined above, I want to bring to the Committee's attention the fact that the National Institute for Occupational Safety and Health -- NIOSH -- has issued a bulletin and confirmed the relationship between cancer and the exposure to whole diesel exhaust. Based on the ecological evidence that associated lung cancer with occupational exposure and diesel engine emissions, they recommended that whole diesel exhaust be recorded as a potential occupational carcinogen. That goes to the part of the plan which, in fact, increases, or proposes to increase the testing of diesel trucks in a centralized manner. Thus, given the evidence, we would strongly support that.

In order to address our serious air pollution problem, we believe we must strengthen, not weaken our auto and truck emissions program. We should follow California, and now Massachusetts' lead and require stricter emissions standards than the Federal law. Strict enforcement of these emissions testings for cars and trucks and buses must be adhered to to protect public health.

You have not heard this before, but while the adoption of the new Federal Act was significant, the auto emission controls are much weaker in the new Federal Act than what is needed to clean our air and to bring New Jersey into compliance with the health-based outdoor air quality standards of the Federal Act. That is why the Act -- the Federal Act -- specifically allows seriously polluted states such as New Jersey to adopt California's stricter auto program in order to come into compliance with the Act's air quality standards.

We have heard already today that vehicle emissions testing is not perfect. Audits of our existing program demonstrate that equipment can malfunction, or worse; that results can be fixed. Stricter manufacturing standards, coupled with stronger manufacturer liability, counters this phenomenon and will yield cleaner cars, no matter what form of emission testing is adopted for the State.

As I mentioned earlier, cars are the single largest source of the New Jersey smog problem. It will be nearly impossible for New Jersey to comply with the smog standards of the new Act and to protect public health without adopting stricter auto emissions controls. Stricter standards on emissions are the most cost-effective way to control the precursors of ozone. Other forms will require-- If we are not going to do it through stricter standards on cars, we are going to have to take much stronger action against industries, which are the other large emitter of these substances. This is a much more cost-effective way to do it.

I want to just describe why the California program is, in fact, stricter than the Federal Act. First, the compliance and enforcement program has a stronger warranty, manufacturer testing, and recall requirements than the Federal program. These and other compliance measures of the Federal program ensure the use of more durable emissions control systems which will continue to work for the life of the vehicle.

Second, between 1995 and 2003, California plans on phasing in even stricter numerical emissions standards for new cars, which will reduce smog-causing auto emissions by 50% to 75%. A lot of this is in providing for better emissions controls in cold weather starts. A lot of your substances escape when the car is cold. The new type of technology which will be required on these cars will, in fact, have them controlling their emissions when they are first started up, as well as when they are running.

New Jersey PIRG urges this Committee and the Legislature to adopt the California program as a way to ensure that the State is doing all it can to address the serious problem of air pollution and all that that represents to the citizens, as well as the economy of the State.

Finally, I want to go on record as taking issue with the Management Review Commission finding that safety inspections could not be found to have reduced accidents. I have read -- and hope the whole Committee will read -- the GAO Report which did, in fact, find that based on the evidence, safety inspections did, in fact, increase vehicle safety, and thus could be linked to reducing the amount of accidents. Of course, you have heard from Professor Loeb who performed a study in New Jersey which showed that New Jersey's inspection program saved on an average of 304 lives and avoided 910 crashes per year. Common sense tells us that safety inspections will sensitize drivers to the importance of vehicle maintenance, as well as catch the potential hazard before it becomes known as the cause of a crash.

We believe that the cost of vehicle emissions and safety inspections should be affordable, and that the Committee should analyze the programs which are the most cost-effective. But, given the hazards associated with air pollution and the dangers associated with unsafe cars, this State cannot afford to abandon or diminish the quality of such inspections, because those costs would be far too great.

Thank you.

SENATOR COWAN: Are there any questions, Senators?  
(no response) Thank you very much.

That will conclude the hearing this afternoon. We will continue on March 11 at 10:00 a.m.

(HEARING CONCLUDED)

(NOTE: This hearing continued March 11, 1991.  
See transcript that date.)

**APPENDIX**

Statement by:  
Charles E. Walton, President  
New Jersey Automobile Dealers Association  
To:  
Senate Law, Public Safety & Defense Committee  
February 25, 1991

The 760 franchised car dealers who are members of the New Jersey Automobile Dealers Association have been carefully watching and monitoring the issue we're talking about today. We have followed the dialogue with great interest since Governor Florio announced his intention to privatize the motor vehicle safety inspection and emissions testing program.

There are currently more than 500 new car dealerships licensed as private inspection centers. Over the last several years--beginning originally with a reinspection authority--more and more dealers have become licensed and made the capital investment necessary to qualify to perform the alternate inspection.

During that same period of time, more than a million vehicle owners annually have availed themselves of the private inspection center option, rather than using the State inspection system. Their choice--for their own convenience and at an out-of-pocket cost--alleviated the pressure that had been put on a very fragile State operation that was on the verge of collapse. You certainly heard in those days from constituents about long waiting times.

The Governor's proposal could call for elimination of the private inspection centers. We very much want to continue to play a role in the State's safety and emissions objectives. We think the public would prefer to have the private sector remain as part of the inspection equation. We think the State would be protecting its interest and those of the motoring public to have an alternate system: one where the State isn't entirely dependent on one contractor to perform this service. The current PIC network provides the ideal fail-safe for the State. We think all of that can be done--with the State's help--under the current Clean Air Act.

It is difficult at this time to estimate how many of the current licensees would make the capital investment necessary to continue as PICs. Much, of course, depends on the EPA rules that are due out this spring. Even at the cost estimates outlined during your last hearing, some dealers would no doubt make that sizeable, high-side investment. The dealers know that within a short period of time they will be forced to buy a dynamometer or new sophisticated analyzer as part of their manufacturers' required equipment. Simply put: dealers have to be able to test cars after they've fixed them. So, they need equipment every bit as sophisticated as the State or its designated contractor would need.

Dealers, too, are required by statute to guarantee the used cars they sell will pass New Jersey inspection. Dealers shouldn't be required to purchase new equipment to comply with the inspection guarantee requirements but barred from continuing to play a role as an alternative to the State's safety and emissions objectives.

We hope the Committee will keep an open mind on this matter until all the details are in place. We would also ask this Committee and the Legislature to recognize the responsible small business people who we represent as part of the solution. We have been in the past; we can be again in the future.

# Communications Workers of America

10 RUTGERS PLACE • TRENTON, NEW JERSEY 08618

(609) 392-2771



CWA TESTIMONY--MOTOR VEHICLE INSPECTIONS

January 15, 1991

Jerry Jagger, Supervisor 2

Paramus Inspection Station

W20 Century Road

Paramus, New Jersey 07652

Phone: 201 261-7570

CWA Public Workers Union

Local 1037

Attention: Michael J. Hopkins

Dear Mike:

In reviewing the Governor's Management Review Commission Report on the DMV Inspection System we would like to make the following comments. My assistants have helped with added input when we analyzed this report.

First we are concerned with the Commission's members, not one of which appears to be involved with anything automotive nor transportation related. The list includes members of the food workers, restaurant industry, and law services. Not to mention Blue Cross-Blue Shield, and the Electric and Gas Service. At least one member should have been from the automotive industry, such as the UAW. A member of the transportation community should also have been included.

The Commission reports that MVS is responsible for core regulatory functions, that is seeing that drivers operate with the correct credentials. Mentioned was insurance verification. Although insurance is checked at the Agency when issuing or renewing registrations, it is done only by asking for an insurance policy number, not by checking physically if insurance exists. Only at an inspection station is insurance checked for the actual card or policy. For the month of December alone, there were

JX

Two Hundred and Thirty Three rejections for insurance. That's an average of eleven people a day who had difficulty in showing proper insurance as required by law. Will this be checked in some other way if inspection is abandoned? There is no mention of this other than emission checks. Remember, that's just the rejection rate for Paramus Inspection. There are thirty six other stations, which brings this statistic up higher yet.

The Commission mentions on page five that MVS has struggled to keep up with demands but lacks the resources! They continue to state that field operations are expected to perform while their resources are cut! It was these cuts that caused long lines and other inconveniences as stated by the Commission.

The most important part of this report is that there are no concrete statements to base termination of a system on. They admit that guidelines are not expected to be issued for another six months, yet they're willing to jump the gun. They talk about a centralized system to test emissions. The current system we have can be used to collect data. They estimate that the new standards will more than double the costs, this by estimate. How did they arrive at this? They also mention that if New Jersey does not meet EPA standards we could lose substantial highway funds. Just how much will we lose? If it's substantial then is not it worth spending 50 million to save it?

The Fair Automobile Insurance Reform Act of 1990 envisions MVS as a central role in addressing the uninsured motorist problem. This is done now by the Inspection Stations checking for physical proof of insurance. Just how will this change?

"Because MVS provides more services to more citizens more frequently than any other agency of State government", is it not fair to say that MVS deserves more appropriation of workable funds. This division brings in an excessive amount of revenue which is not returned in expanded services to the public. The public is paying heavily now for cut services and is now expected to pay more for less.

Since auto emissions testing is federally mandated, is it not the State's responsibility to see that this is properly accomplished? Why abandon the present system when there may be

alternatives such as upgrades. Why does not the NJDEP share in the expense of the upgrades since this is required by the federal DEP.

This report makes mention of EPA recommending that the states moves to a centralized, private contractor-operated system. Does this mean all states must comply? Or only the ones that are presently doing emission tests?

Since the new law requires the State of New Jersey to provide for computerized emission analyzers; just what are the present machines that we have now? These Allen machines now in use collect data on a cassette tape which can be removed and processed at NJDEP's field facility. The PIC's are using emission machines that have the tapes removed by MVS employees and returned to NJDEP for analyzing. This was previously done on a montly basis but with the resources being cut it is now done on a three month basis. The machines at the state stations have the tapes changed only when necessary and this is not an occurence that happens often. It appears that the DEP did not want the data that the stations collect, only the PIC data was important to them. This data is put into a large computer for further use. It tells the year of the vehicle, its make, license plate number, and test results. What else is required? Why can't the states analyzers provide the same data?

They mention the elimination of PIC's unless the state can show that they will be effective as a centralized system. Don't they now collect pertinent data, recorded on tape, and retained by NJDEP? Further in the report it is recommended the certain PIC's be retained, that is "Certified Private Inspection Centers" as part of the system. Which ones? The ones that spend the roughly fourty thousand for a machine? Or the ones that are politically motivated? Or underworld connected?

New Jersey must also inspect the on-board emission control diagnostic systems. Fancy words for what is already inspected, the catalytic convertor and fuel neck restrictor.

Amendments allow shifting from an annual to a biennial emissions test for vehicles less than five years old. But the majority of the rejections come from vehicles that are newer. Statistics should be checked to see how many vehicles over

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five years old. It sure seems like most of the vehicles are newer vehicles. Of the 14,000 inspections conducted by Paramus in December 1990, there were 1351 emission rejections, of which 205 were re-rejections.

If biennial inspections of vehicles less than five years old can easily be done in the present system, possibly allowing for shorter waits, shorter lines, and faster processing.

The commission mentions that the present system failed two audits recently. Why? Because of resources.

The report mentions that inspection costs approximately \$15 million, but elsewhere it states \$22 million. Which is it? They state that the new enhanced system would cost twice as much but give no reasons why? And this is exclusive of the purchase of the new machines. With no new highering how can it cost double what it's costing now?

They state that the state-owned facilities are unable to keep pace with the newer technological advances and that they lack managerial expertise required to control auto pollution. How can they say this? MVS supervision has been involved in emission testing for quite a while.

The report mentions that operational efficiencies should translate into lower costs. What if they don't? They talk about capital investments, operational costs, and a profit margin. The private sector would be required to foot the same 50 million that it would take the state. Add your other expenses and profit, divided by the first statement of 6 million separate inspections and what will the cost be per inspection? After the costs of equipment are paid, will the price go down? The commission says that the fees collected will be used directly and exclusively for the inspection system! Why can't MVS use the monies it collects to run its' system? Why must the money MVS collects go into the General Fund? It appears from various article that the state does not want to put money into the system. If they save 22 million, where will that money go? To pay for vacant office space possibly? Or to pay for political patronage jobs?

There is mention of 550 State (non-supervisory) workers that can be expected to be employed by the private sector.

What about the other support personnel involved. There must be a lot of people in downtown Trenton worried about their jobs also.

The report states on page 17 that most programs are underfunded. It also states that there is some elements that safety inspection contributes to accident reduction. That Rutgers professor showed in his survey, one ordered by MVS, that there is a definite relationship in reducing accidents through safety inspections. But it seems his report was shelved in favor of less favorable reports.

While there is a need to upgrade the present system, must we just abandon it completely to the private sector. Why not institute newer procedures. All seem to agree that tires and brakes are important, but what about headlights, stop lights, and turn signals? How many times have you driven on a road and noticed a vehicle with a headlight out? Or the car in front of you had no stoplights? In this rush-rush day and age people are not interested in checking there vehicles. When was the last time you looked at your vehicles tires before getting in? Have you ever really checked your own stop lights? Are you really aware of your vehicles condition? Or do you wait for something to go wrong such as a flat tire before repairs? With the costs of repairs most people would rather wait until they have to have a repair done. Todays person is only interested in turning a key and trusting in the fact that everything is ok.

Dealer warranties. How much more can be said. Do the dealers really take the time to check the hundred or so items on the check list they give the customer, that pre delivery check. Or are they so busy that short cuts are necessary? Who checks on the dealers? Certainly not MVS. The only real checks are on dealer temporary tags, and thats only when there's a complaint. There is not enough resources to complete dealer audits.

Roadside inspections have been severely cut back due to resources. With only ten teams to cover the State, many of them just do not operate, or operate at a reduced level?

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In the reports fiscal impact it says that the budget for vehicular control functions is \$26.8 million. But previously it stated that the current system costs \$15 million (page 13).

All savings are stated as estimated or expected. No real figures exist. They state that they cannot possibly "predict with any accuracy" what it will cost or save.

If only \$4 to \$5 million is needed to perform driver testing, roadside inspections, and monitor private concerns, why does only one function, vehicle inspection, cost \$22 million? Or does this budget include all MVS functions? Agency, Etc.?

There is an important aspect to this program which has been overlooked. This aspect has not been mentioned or addressed and is very important. This aspect is school bus inspection. School vehicles are inspected for safety items twice a year. Will we be terminating this requirement? Are our children in danger? Who will conduct these important inspections?

In conclusion, the inspection for safety items should be upgraded. This could include checking lights, tires, brakes, and credentials, four necessary items. The present emission machines could be upgraded with new software to allow the gathering of data on cassette to be forwarded to NJDEP for collection. The PIC's could upgrade software to include whatever information would be required. Inspection lines may be shorter by the introduction of biennial inspections of vehicles under five years old. Additional resources should be made available to MVS for programs such as additional roadside inspection teams, dealer audits, PIC audits monthly, and other mandated programs.

There seems to be an abandon ship attitude rather than looking at what can be done. Money seems to be the major concern. They say that they will effect 550 jobs, maybe less. But will it be more jobs? Just how much will be saved? Peanuts? Is it worth it? Maybe the solution is with the elimination of middle management such as consultants. Or political patronage jobs? There are too many unanswered questions, with only screened answers being given. Let's save our sinking ship!!

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Statement of  
Jack Hesse, Vice President, Hamilton Test Systems, Inc.  
before the  
Senate Law, Public Safety and Defense Committee  
February 25, 1991

"Public Hearing on Motor Vehicle Inspection"

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Mr. Chairman and Senators, Good Afternoon.

I am Jack Hesse, Vice President of Marketing for Hamilton Test Systems, Inc. of Tucson, Arizona. For the past 17 years my company has contracted with a number of states to do motor vehicle emissions testing in support of clean air policy. I have been employed by Hamilton since its formation in 1974, having served both as an engineering manager and a marketing manager. Hamilton has conducted over 50 million individual vehicle tests in its history. We currently operate emissions testing programs in Connecticut, Wisconsin, Ohio and Tennessee and have operated programs in California, Arizona and New Mexico.

In addition, we have designed, constructed, equipped and maintained safety and emissions testing facilities in Taiwan, and also in New York City... where that city's medallion taxi cabs undergo safety inspections three times each year.

A few months ago, we presented information on this subject to the Management Review Commission and we thank you for the opportunity to appear before you today. We believe the Management Review Commission's recommendation to privatize the New Jersey inspection program is the right thing to do.

The last time the Committee met on this subject, Attorney General Del Tufo told you the major reason for turning to privatization was "...to avoid enormous costs."

Rather than repeat the technical information presented to the Management Review Commission on this subject, I would like to concentrate on how private industry can help New Jersey do several things, while avoiding those "enormous costs":

First, we can help you meet the enhanced and extended testing requirements of the federal Clean Air Act, and

Second, we can upgrade and update your safety inspection program by applying modern technology to it; and

Third, we hope to address in a positive way some of the questions raised about a transition from public to private operation.

We are all ... contractors and States ... awaiting the final EPA regulations which will define what has to be done and how much it will cost. But when the requirements become more clearly defined, centralized contractors are ready and willing to help New Jersey.

First, private industry brings money. It saves you the requirement to divert scarce tax dollars to upgrade inspection operations. Whatever the final cost of compliance with the

new EPA rules and regulations turns out to be, you do not have to appropriate that amount. The contractor pays that cost up-front and seeks a contract with you to recoup that investment, plus a return on that investment, over the life of the contract. Those contracts usually run five to seven years.

Second, the contractor brings technical experience such as operation of testing facilities with dynamometers, performance of underhood anti-tampering inspections, and use of computerized test lanes and online data management. Key pass/fail decisions are automated.

Third, the contractor brings the flexibility inherent in private industry to manage its personnel, adjusting its workforce to the needs of the program, scheduling overtime and part-time people to serve the public after normal working hours and on Saturdays if required.

You select a contractor through a competitive procurement process. The competition among the bidders keeps the cost low. Historically, the inspection programs which have provided the greatest customer satisfaction and the most effective results have been those where the State defines the performance standards and leaves it to the competitors to design and propose a process to meet the State's expectations. Provisions and specifications in the contract keep the bids responsive to the needs of the State, avoid "low-ball" bids, and give the State an enforcement mechanism to ensure that contractor's promises are kept.

If New Jersey were completely new territory, the procedure would be clean and simple. Bid, win, build and operate. But New Jersey has owned and operated its own program for several decades and no State has ever moved from public to private operations before in the field of vehicle testing. You are breaking new ground. It is frustrating, when you are looking for concrete answers, to be given "It-Depends" answers. But the answers to many of the questions circulating on this issue depend on what the federal EPA does, and on what you decide you want to do as a State.

For example, it has been made abundantly clear to my company at least, that people are the first priority in this transition. About 550 current State jobs have been identified as being affected. After natural attrition and transfers to other State jobs, we believe any remaining workers could easily be absorbed into the private system; if they wanted to be. It depends on how New Jersey decides it wants these workers handled during the transition to private ownership. Contractors can be encouraged to hire former State employees through bid specifications which include job descriptions and other personnel requirements. As long as all contractors are bidding on the same basis, there will be no inducement to "low-ball" the prospective wages and benefits to Contractors' employees.

The other people at the center of this issue are the New Jersey motorists. In our company we call them "customers", and perhaps the use of that word can give you some insight into how we treat the people who bring their cars to be inspected. Our goal is to shorten waiting times and increase the level and availability of service. Yet, our ability to do that efficiently and economically depends on the performance standards you decide to require of us and the flexibility we have in designing the system. For example, we recommend that you avoid the specification of a fixed number of test lanes. Some contractors will bid fewer, more highly-automated test lanes with higher "throughput" capacity while others would bid a larger number of less sophisticated, lower test capacity lanes. You can have your choice of the system you prefer.

Much has been made about the projected \$6 to \$15 test fee ... about the price of a tank of gas. This is where you get the ultimate "It Depends" answer. It is like shopping for a car. You know what you want in the basic vehicle, but you have to decide on options.

Do you want to test diesel trucks? How do you want to do anti-tampering inspections? Do you want to use a "loaded-mode" test procedure with dynamometers? Do you want to test school buses and taxis? Do you want to lease your current inspection facilities to the contractor, or will you make them start from scratch? What will be your leasing policy, \$1 per year or market value? The ultimate cost of the inspection to the customers depends on your decisions on these questions and others.

As you decide the answers to these questions, Hamilton Test Systems is ready to provide whatever assistance it can in developing the most cost effective inspection network possible for New Jersey motorists. Mr. Chairman and Senators, I will be glad to attempt to answer any questions you might have.

TESTIMONY

EDWARD T. FENNELL , JR.  
BARTELSTONE GLASS

STATE OF NEW JERSEY  
COMMITTEE OF PUBLIC SAFETY AND DEFENSE

PLEA FOR VEHICLE INSPECTIONS TO INCLUDE  
AUTO GLASS

FEBRUARY 25 1991

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TO THE NEW JERSEY PUBLIC SAFETY AND DEFENSE COMMITTEE  
FEBRUARY 25 1991  
ROOM 407 STATE HOUSE ANNEX  
TRENTON , N.J.

REGARDING THE STATE INSPECTION SYSTEM AND OUR RECOMMENDATIONS  
TO KEEP THE INSPECTION PROGRAM TO INCLUDE SAFETY RELATED  
ITEMS SUCH AS BREAKS , MUFFLERS , STEERING AND AUTO GLASS .

GOOD AFTERNOON

MY NAME IS EDWARD T. FENNELLS , JR. AND I COME BEFORE YOUR  
COMMITTEE AS A ACTIVE MEMBER OF THE AUTO GLASS INDUSTRY .

I AM EMPLOYED BY BARTELSTONE GLASS ONE OF THE LARGEST  
INDEPENDENT AUTO GLASS WHOLESALERS IN THE COUNTRY WHO  
EMPLOYEES OVER 125 EMPLOYEES IN THE NEW YORK AND NEW JERSEY  
AREA . WE DISTRIBUTE AUTO GLASS TO MANY SMALL BUSINESSMEN IN  
THE REGION . OUR NEW JERSEY FACILITY IS LOCATED IN BELLEVILLE  
WHERE WE HAVE A 80,000 SQUARE FOOT WAREHOUSE .

I AM A PAST DIRECTOR AND A PAST OFFICER OF THE NATIONAL GLASS  
ASSOCIATION AND AM CURRENTLY SERVING AS A MEMBER OF THE  
NATIONAL GLASS ASSOCIATIONS , AUTO GLASS COMMITTEE . I KNOW I  
CAN SPEAK FOR THEM IN THIER CONCERN OF THE SAFETY OF THE  
MOTORING PUBLIC IF THE VEHICLE INSPECTION PROGRAM BE  
ELIMINATED IN THE STATE OF NEW JERSEY . THE N.G.A. HAS ALWAYS  
BEEN AWARE OF THE SAFETY RELATIONSHIP BETWEEN INSPECTIONS AND  
AUTO GLASS .

I REALIZE THAT YOU MAY FEEL I AM HERE AS A BUSINESS ISSUE IN  
THAT IF GLASS WERE REMOVED FROM THE INSPECTION PROGRAM THERE  
WOULD BE LESS AUTO GLASS SOLD .

THIS IS PARTIALLY TRUE , I DO REPRESENT MANY GLASS SHOPS IN  
THE STATE OF NEW JERSEY WHO EMPLOY MANY PEOPLE AND GENERATE  
MUCH REVENUE FOR THE STATE IN THE FORM OF BUSINESS , PERSONAL  
AND SALES TAXES .

OUR AUTO GLASS INDUSTRY AS WELL AS THOSE OF THE MUFFLER ,  
BRAKE , LIGHTING , TIRE AND OTHERS CONSIST OF MANY SMALL  
SHOPS EMPLOYING ONE TO THREE PEOPLE AND WOULD BE SEVERELY  
HURT IF THERE WAS NO ENFORCEMENT OF THE SAFETY INSPECTION OF  
A VEHICLE . THE STATE OF NEW JERSEY NEEDS THESE INDEPENDENT  
BUSINESS MEN AND THE STATE NEEDS THE REVENUE THEY CREATE .

MAY I STATE THAT THESE REVENUES ARE NOT CREATED OUT OF A  
COSMETIC OR KEEPING UP WITH THE JONE'S ATTITUDE , BUT ARE  
CREATED TO SUPPORT THE SAFETY OF EACH AND EVERY PERSON IN THE

25X

STATE OF NEW JERSEY AND THOSE TRAVELING THROUGH IT .

IN RELATION TO SAFETY , AUTO GLASS IS AN IMPORTANT SAFETY ARTICLE IN A CAR . IF PEOPLE ARE ALLOWED TO DRIVE WITHOUT INSPECTIONS YOU WILL SEE MANY VEHICLES WITH PLASTIC ON THE DOORS , OR EVEN WORSE , CARDBOARD . I'M SURE YOU HAVE ALL SEEN A CAR WITH THE SIDE WINDOW TAPED UP WITH SOME FORM OF " TEMPORARY " GLASS . HAVE YOU EVER THOUGHT HOW MUCH VISION IS REDUCED WITH THIS TYPE GLAZING ?

WOULD YOU WANT YOUR CHILD TO STEP OFF A CURB AND HAVE THE DRIVER NOT NOTICE HIM OR HER BECAUSE THEY WERE DRIVING A UNSAFE VEHICLE ?

WINDSHIELDS WITH CRACKS ALSO PROVIDE REDUCED VISIBILITY NOT ONLY IN THE AREA OF THE CRACK BUT IN THE UN PARALLELED PLANE CREATED BY THE BREAK THUS CREATING A DISTORTED VIEW OF THE ROAD .

GLASS IN TODAYS CARS IS ALSO A PRIME PART OF THE STRUCTURE OF THE AUTOMOBILE . THERE IS NOT A CAR PRODUCED IN THE LAST FEW YEARS THAT WOULD PASS THE DEPARTMENT OF TRANSPORTATION STANDARD 212 OR , AS WE KNOW IT THE ROLL OVER TEST , WITHOUT AUTO GLASS IN THE TEST VEHICLE. AUTO GLASS IS PART OF THE STRUCTURAL INTEGRITY OF THE VEHICLE AND KEEPS THE TOP FROM CRUSHING , THEREFORE CREATING A SAFER CAR .

SEVERAL STATISTICS TO SUPPORT MY CONCERN FOR SAFETY IN RELATION TO AUTO GLASS ;

IN A JULY 1990 REPORT THE U.S. GENERAL ACCOUNTING OFFICE (GAO) RECENTLY CONFIRMED THE SAFETY OF INSPECTIONS SHOWING THAT STATE SAFETY INSPECTIONS REDUCE TRAFFIC ACCIDENT RATES UP TO 17%.

SAFETY HELPS TO REDUCE INSURANCE RATES AND IN THE STATE OF NEW JERSEY , WITH ALMOST 8 MILLION PEOPLE , IT IS NECESSARY TO MOVE TO IMPROVE VEHICLE SAFETY INSPECTION PROGRAMS

RUTGERS UNIVERSITY UNDER CONTRACT FROM THE STATE OF NEW JERSEY , CONDUCTED A STUDY OF STATE VEHICLE INSPECTION USING TIME SERIES DATA FROM 1929 TO 1984 . THIS REPORT - FROM YOUR STATE UNIVERSITY - SHOWED THE INSPECTION PROGRAM REDUCED HIGHWAY FATALITIES BY 304 PER YEAR , AND REDUCED ACCIDENTS BY 37,910 PER YEAR

SAFETY INSPECTIONS ARE ONE OF THE FEW INCENTIVES TO LET THE CONSUMERS BECOME AWARE OF THE IMPORTANCE OF SAFETY AND MAINTENANCE OF A HIGHWAY VEHICLE . IT ALSO BRINGS AN AWARENESS TO CORRECT VEHICLE DEFECTS BEFORE THEY MAY REQUIRE A MAJOR REPAIR

IN 1981 - THE HIGHWAY SAFETY RESEARCH INSTITUTE - OF THE UNIVERSITY OF MICHIGAN , CONDUCTED A STUDY ENTITLED " WINDSHIELD DAMAGE AND HIGHWAY SAFETY ". THEY FOUND WINDSHIELD DAMAGE WAS AN IMPORTANT FACTOR IN DRIVER DECISION MAKING

THE INSPECTING FOR AUTO GLASS HAS BEEN SUPPORTED BY THE MOTOR VEHICLE MANUFACTURER ASSOC (MVMA) AND THE AMERICAN ASSOCIATION OF MOTOR VEHICLE ADMINISTRATORS (AAMVA) .

MAY I CONCLUDE BY ASKING YOUR COMMITTEE TO RECOMMEND THAT AUTO SAFETY INSPECTIONS , INCLUDING AUTOGLASS , BE KEPT IN THE STATE OF NEW JERSEY . AUTO SAFETY INSPECTIONS , AS YOU HAVE TODAY HAVE PROVEN TO SAVE LIVES AND AS A SECONDARY ACCOMPLISH CREATES AND KEEPS JOBS IN THE STATE .

THANK YOU FOR YOUR TIME AND SHOULD YOU REQUIRE ANY ADDITIONAL HELP REGARDING THIS ISSUE , OR ANY OTHER ISSUE , INVOLVING AUTO GLASS , I WILL BE GLAD TO PROVIDE INFORMATION NOT ONLY THROUGH MYSELF BUT FROM INDUSTRY LEADERS AND MANUFACTURES .

RESPECTFULLY SUBMITTED

EDWARD T. FENNELL JR.

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