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PUBLIC HEARING  
before  
ASSEMBLY SELECT COMMITTEE  
on  
THE DIVISION OF MOTOR VEHICLES

March 5, 1986  
Room 403  
State House Annex  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

- Assemblyman William Pat Schuber, Chairman
- Assemblyman Thomas J. Shusted, Vice Chairman
- Assemblyman Newton E. Miller
- Assemblyman Robert J. Martin
- Assemblyman Joseph L. Bocchini, Jr.
- Assemblyman Thomas P. Foy

ALSO PRESENT:

- Aggie Szilagyi
- Office of Legislative Services
- Aide, Assembly Select Committee

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ASSEMBLYMAN WILLIAM PAT SCHUBER (Chairman): Good morning, ladies and gentlemen. Let me welcome everyone to the first hearing of the Assembly Select Committee on the Division of Motor Vehicles. As you know, if some of you were here for our inaugural session several weeks ago, the Select Committee is a Committee that has been formed by the Speaker for the purpose of reviewing the status of the Division of Motor Vehicles and making a recommendation to the Legislature with regard to changes or reforms, where merited. As the Committee has deemed its work, the first issue that the Committee will be taking up in its analysis of the Division and the changes that should or should not be made with regard to its operation, is the issue of the dual inspection system. There is a time constraint with regard to that, in that the system itself will run out at the end of June of this year, and a decision must be made by the Legislature to either continue that dual system or to go to some other system. That is the purpose of these hearings.

This is a new Committee. We have been in existence since January. The members of the Committee I will introduce to you. On my right is Assemblyman Thomas Schusted of Camden County; he is the Vice Chairman. Assemblyman Robert Martin is to my left, from Morris County; Assemblyman Newton Miller to his left, from Passaic County. Assemblyman Joseph Bocchini will be with us in a few minutes from Mercer County, and Assemblyman Thomas Foy is on his way from Burlington County.

The purpose of this public hearing, the first being held by this Committee, is to elicit information on the current status of the Public/Private Motor Vehicle Inspection Program, implemented under the Laws of 1983, and to discuss its future status. The dual inspection system was intended to give the motorists of this State the option of having their vehicles

inspected initially at either a private inspection center or at a State-operated inspection center.

The dual inspection system was set up on a temporary basis for an experimental program. We are now under a time constraint, as I have mentioned, to make some recommendation to the Legislature by the end of June, 1986. It will be up to the Legislature and the Governor to determine, as a matter of good public policy and good management and public convenience, whether the dual inspection system should be made permanent, or whether, in fact, we should be trying some other form of that system. From the information that I and the Committee members will receive today, and at our next hearing which will probably be in two weeks, we will analyze and examine the inspection system and decide what recommendations should be made concerning its future.

This public hearing is a fact-finding session for this Committee. We are open to any and all points of view and suggestions that you wish to make today. We strongly encourage you to present to us all information and statistics at your disposal which you think will be valuable in understanding the dual inspection system and developing and recommending the appropriate legislative action to be taken in the next few months.

With that statement having been made, I will turn to our first witness, the Attorney General of the State of New Jersey, W. Cary Edwards. General Edwards?

A T T O R N E Y G E N E R A L W. C A R Y E D W A R D S:  
Thank you, Mr. Chairman and members of the Committee. I am going to read a little prepared statement because I think it is important enough to be sure that we get it accurate. So, I hope you will bear with me for a couple of minutes while I go through this.

I am pleased to have the opportunity to appear before this Select Committee to present the views of the Department of

Law and Public Safety regarding New Jersey's vehicle inspection system. Indeed, I am here today to tell you that the public/private experiment I recommended almost three years ago is a success and now needs to be made permanent.

During the last 45 days that I have been the head of this Department, I have made the improvement of the services provided by the Division of Motor Vehicles a top priority. We are, as you know, examining the Division in a comprehensive way, from top to bottom. The vehicle inspection/reinspection program is a critical element of that entire system.

After considerable review and in-depth analysis by my staff and myself, I can say confidently that the present public, private, and driver-testing system is a proven success story in this State. It is a success story that fits perfectly into the overall plan envisioned by the Governor when, in his State-of-the-State address, he called for a system whose primary responsibility is "to provide quick, efficient service to the people." That is the track record of the Motor Vehicle inspection system today, though it is important to note, that this was not the case yesterday.

In 1982, it was not unusual for motorists to wait two to three hours to have a vehicle inspected at some stations. Also, it was not unusual for drivers license applicants to wait as long as six months before being scheduled for the necessary road test.

Manpower levels and facilities were in such poor condition that disruptions in service were frequent occurrences. For example, the Mount Holly Inspection Station had to be closed for several months in 1982 because it was on the verge of physical collapse.

Since then, the system has undergone a major transformation. Here are but two of the most critical comparisons of the old and new systems:

In 1982, the average wait for motorists in inspection lines exceeded 33 minutes. That was the old system. By January 1, 1986, the average wait for motorists was six minutes -- a reduction of over 80%.

In 1981, it was not unheard of for applicants for road tests to wait at least 60 days; that is three times the mandatory waiting period. Again, this was under the old system. Four years later, under the new system, the waiting period has been cut to just slightly more than the 20-day mandatory period.

This turnaround has been accomplished in part by the upgrading of manpower levels, the merging of the DMV Bureau of Vehicle Inspections and Driver Testing to create a flexible manpower pool capable of meeting the shifting needs of the public, the construction of new facilities and additional inspection lanes, and the establishment of new sites for driver testing.

The critical component of this turnaround has been the success of the public/private experiment. However, this major innovation must be made permanent if vehicle inspection and driver testing are to continue to improve in the face of further demands being constantly added to the system.

Because of the new requirements being placed on the State inspection system, like commercial vehicle safety, emissions inspections, upgraded emissions, anti-tampering tests, and future diesel emissions tests, it is imperative that private garages continue to perform both initial and reinspection tests.

The 3,200 private garages that are currently licensed handle about 20% of the inspection workload each year -- roughly one million vehicles -- and that volume is growing. Losing the ability of these garages to perform initial inspections would be a serious setback to the accomplishments already realized in the area of vehicle inspection.

As one who has studied intensely all possible options, I believe that public/private inspection gives New Jersey motorists the best of both possible worlds. This is in contrast to motorists in New York and Pennsylvania, who must use private inspection stations. There have been widespread reports of abuses within those systems, both by and against the motorists. As an aside, in New Jersey we have independent monitoring units whose sole function is to prevent such abuses.

Another positive addition to the overall system was the development of roadside inspections in late 1982. These random inspections have kept the public constantly aware of the need to maintain their vehicles. Public/private, coupled with random roadside inspection, gives New Jersey a hybrid system that blends convenience and flexibility, while providing the checks and balances necessary to guard against abuses.

For example, a motorist who questions the test at a private station can visit a State station for confirmation, while roadside inspections give the State the opportunity to check on the validity of inspections at both private and public stations. Further, an investigation is performed whenever a vehicle with a recently issued approval sticker is found to have safety or emissions defects.

Above all, public/private inspection is also a safety valve; it relieves pressure from State stations to assure that long waits do not develop. This is particularly important because of the additional inspection work being brought into the system by the State's conformity to the standards of the Federal Clean Air Act. I would note here, Mr. Chairman -- this is not in the statement -- that in the approximate 10 years that we have been doing mandatory emissions inspections, we have reduced carbon monoxide by about 55%, and hydrocarbons by almost 73%. The real crux of our inspection system today is not focused on the safety inspections, but is focused on the

emissions and air quality of the entire State. It is the major component of our air quality program and air quality improvement in the State of New Jersey.

The public/private system is also a safety valve against future budget constraints that might force a reduction in manpower and facilities at State stations. When such problems have occurred in the past, motorists had long waits and complaints resulted.

This is exactly what happened in July, 1982, when budgetary constraints seriously reduced manpower levels at inspection stations and motorists were forced to sit through long, hot waits at State stations, since they had nowhere else to go for the inspection. Public/private gives the driving consumer somewhere else to go.

The Legislature's approval of the public/private system was contingent on the expansion of the public program, and that expansion has continued. Specifically, the State was directed to gear up for a State-only inspection system in the event the private garages failed to relieve the pressure. As a result, emphasis has been placed on expanding the physical capacity of our public inspection system.

In addition, funding provided by the Legislature has allowed the Division to improve services within the State system by increasing manpower by 134 examiners and by beginning the planning for construction of 10 additional lanes at new sites where there is a need for improved service.

This expansion, coupled with the service rendered by the private stations, has all but eliminated the long waits motorists previously experienced when it came time to have their vehicles inspected. Equally significant, the expanded system has absorbed all the new clean air tests without inconveniencing motorists by forcing them to wait in line for excessive periods of time.

What I have just outlined represents the achievements, the successes of the public/private inspection system. It is the story of an innovative, tailored system, supported by the cooperative efforts of the Legislature and the Administration. In short, the foregoing represents the good news.

Now, however, I must tell you of the potential bad news. The public/private system will come to an end on May 31, 1986, unless new legislation is enacted. In other words, we have less than 90 days to decide whether New Jersey is going to continue to build on this successful system or allow it to falter.

An important, positive signal must be sent to both the motoring public and the private garage owners in the system.

As you may recall, the law allowing the public/private system to continue on an experimental basis also required private stations to purchase new, more advanced, and more expensive emissions analyzers by May 31, 1985. The cost of this equipment -- about \$10,000 per station at that time -- was more than most garage owners wanted to spend, particularly when they already had the previously required emissions testing equipment on hand.

Where the Division of Motor Vehicles had originally envisioned that 6,000 private garages would take part in the program, the new emissions testing requirement threatened to leave the system with less than 1,000 stations. In fact, by the end of last April, only 944 private garages had purchased the new equipment.

However, due to some very aggressive and well-conceived marketing strategies by the State, the situation was salvaged and we now have 3,200 private stations involved in the program. Undoubtedly, the number will probably increase once public/private is made permanent and the private operators are no longer kept hanging.

The number of vehicles inspected and reinspected at both State and private stations during the trial period from November 14, 1983 through December 31, 1985, was 11,972,270. Of these, 2,116,859, or 17.7%, were handled by the private stations. More importantly, that percentage was increased in recent months to better than 20%.

Of the total number of inspections performed during the relevant time period, 8.4 million were initial handlings, of which 855,722, or 10.2%, were performed by private garages.

Next year, we anticipate close to a million new handlings. So, you can see the system continues to grow, and our plans have been developed to meet this growth. In fact, this year alone, 10 more inspection lanes and several more road test sites are planned in addition to major maintenance and facility replacement programs; all intended to make these services as convenient and as accessible as possible for the public.

To retreat now from this program would be short-sighted and costly. In Fiscal Year 1987 alone, some 500,000 vehicles would be forced to reenter the public system for initial inspections. In order to accommodate this major crunch, we would have to construct an additional 10 new lanes, at a cost of \$11.8 million. Furthermore, continuing operation of the lanes would cost the State \$2.4 million per year, each and every year. In the meantime, we would be forced to return to a situation in which unbearably long lines and consumer aggravation were commonplace.

I am proud to say we have a system in place that is doing the job it was intended to do. I would submit that few programs, at any level of government, can demonstrate the success of the public/private inspection system over the last three years.

More than anything else, convenience, without sacrificing either safety or air quality, is what we want for New Jersey motorists, and that is exactly what the

public/private system provides. That is why I am asking you, the Legislature, to see that the program is made permanent -- and made permanent now without undue further delay.

Thank you very much, Mr. Chairman. I have one additional caveat to add to that. The history of public/private, the number of private garages that have been available to serve the public, the capacity for the public to understand where those garages were, and our capacity to market that particular option, have almost been unavailable to us because of our inability to guarantee the permanency of the system and its checkered experiences in the past. Was it going to be permanent? Were they going to buy analyzers? Were they not going to buy analyzers? Ten months ago to have only 944 stations in place with analyzers does not give much credibility to a public/private system. It is our concerted belief that with an affirmative marketing program -- a permanent system with the private garages understanding that they will be a major part of our future in the inspection system -- that we can increase those numbers even more significantly and improve the quality of service, and perhaps even balance and decrease some of the costs that are involved in maintaining the State system.

It is also very important to note that we must offer to every member of the public the option of going to the public system so that they don't have to pay the dollars that are required to go to the private system, because there is a fee attached to that private system. So, we must balance and maintain enough capacity within the State system to guarantee to every member of the public who wants to go, a lane, and a lane that can handle their inspection quickly, efficiently, and politely. If we don't maintain that balance, we will then be misleading the public and forcing them, through some back door method, to increase their taxation or their fee structure.

Right now, the private system is absolutely voluntary. There are a number of people who prefer to take advantage of that for convenience purposes, who can afford the difference. An example: A professional who knows his car won't pass inspection goes to a station to have that vehicle repaired. He can have it inspected at the same time he gets it repaired for inspection purposes, thereby saving him, whatever the amount of time to drive to a station and to wait, even if it is a five-, six-, or ten-minute wait, to avoid that time constraint and, for a number of people, that small fee of \$10.00 or \$15.00 is well worth it. They would avail themselves of it if, in fact, they knew it was there and if, in fact, it was readily available to them, the stations were promoting it, and the State were promoting it.

On that note, Mr. Chairman, I would urge you, as quickly as you possibly could, to consider all of the consequences of this. Myself and my staff will be prepared to answer any questions that you or the members of the Committee may have with reference to this system.

ASSEMBLYMAN SCHUBER: I appreciate your coming here today, Attorney General Edwards. Let me just ask a few questions, if I might. At the present time -- for yourself, or Director Kline, or any of the staff members -- are there any other states in the Union that are operating a dual inspection system similar to the one that New Jersey is experimenting with?

R O B E R T S. K L I N E: No, we're truly unique. We are the only inspection system in the country that affords the choice to the motorists as to how they want to proceed to get their vehicles inspected.

ASSEMBLYMAN SCHUBER: Let me ask you this. Are there any statistics with regard to the rate of pass/fail of a vehicle in a public agency with that of the ones that go to the private garages?

MR. KLINE: Yes, there are. It is a higher rate of failure. It's approximately a 50% rate of failure, Mr. Chairman, in the public sector, and the private is about 32%. The reason for that is obvious. As the Attorney General just stated, you have people who are taking their cars to be serviced, repaired, what have you, and at the same time they are getting them inspected. So a lot of the reasons for failure are repaired right at the private facility.

ASSEMBLYMAN SCHUBER: How many times-- What is the procedure by the State for monitoring the private stations?

MR. KLINE: All right. There is an extensive procedure, and the Attorney General referenced that in his statement. What you have is a system of checks and balances. We have, under this program, a system where each station -- and I may as well explain the whole system -- each State station is monitored by what is termed the "Internal Audit Staff," which is centralized at the Division in Trenton. What they do is go and review the records of the various inspection stations throughout the State. That includes the stickers, the procedures, and the little punch cards. Basically they are auditing the whole process that occurs in the State station.

Now, from there, you have a group of inspectors who go out, for each geographic region, from the State station to monitor each private garage and, by statute in the legislation that we are discussing here, there is a mandatory monthly inspection of those private garages, and we are complying with that. What that includes is similar to what is done with the State stations. The individuals look at the equipment -- the emissions equipment -- and the analyzers. They look at the documents that come out of those analyzers, what the motorist receives at the State station. They make sure that the analyzers are accurate. They also look at the documentation the motorist gets concerning his repairs. Generally, they want

to verify that the private station is doing a credible job, just like we want to verify that the State station is doing a credible job.

Now, in addition to that, and I think it is a very significant improvement, is what is called the "Independent Monitoring Unit." This is a unit that was set up in-house, specialized individuals who, in effect, are an enforcement aspect of this. They are responsive to complaints, special situations that develop, which would indicate that there are problems in a particular garage. We received 80 complaints in the last three years, which is a very, very minimum amount of complaints, about the private garages. Each of these complaints was responded to by the Independent Monitoring Unit. What that resulted in was approximately 1,600 suspensions. I think we're talking about six revocations, in total. So--

ASSEMBLYMAN SCHUBER: Sixteen hundred suspensions of what?

MR. KLINE: Of their licenses, the private licenses. In other words--

ASSEMBLYMAN MARTIN: For a time period?

MR. KLINE: --a suspension period, pursuant to the statute. And there's also a commensurate fine that goes with that. But, in total, there was only, I think, six revocations. What that does is allow the State to carefully monitor the complaints as far as how critical they are to the aspect of the integrity of that system.

MR. EDWARDS: Mr. Chairman, I think it's important to note that all of these monitoring operations -- whether our internal audit, the monitoring system that's required under the statute for the private garages, or our road testing system and our complaint follow operation -- were all put into place over the last three years, since this system was put into place.

We're particularly proud of our internal operational audit. Audit really is a misnomer in many respects because everyone thinks of an auditor as someone who does numbers--

ASSEMBLYMAN SCHUBER: Right.

MR. EDWARDS: --and dollars. This is an operational audit. This is to ascertain whether or not the functions are being performed the way they're supposed to, the way the manuals have said they are, and/or what kind of problems they're developing as a result of it. And the combination of those units and operations, I think, have made this system work.

The fact that you had 80 complaints from the private sector about the private garages, that's out of over to million handles; that is a very insignificant amount. We believe we have the checks and balances in place to continue to maintain this system, and we can continue to improve those particular checks and balances as time goes on if we can get a consistent track record of a number of stations on line.

MR. KLINE: If I could clarify?

ASSEMBLYMAN SCHUBER: Yeah, I was going to say--

MR. KLINE: New figure-- Well, my memory is not as good as I thought, that's all, Mr. Chairman. I'm sorry. With all these figures floating around the last couple of days-- There are 169 suspensions. The 1600 was administrative actions that we took against the garages. But, the six revocations are accurate.

ASSEMBLYMAN SCHUBER: So that in the course of three years-- Let me see if I have this right. In the course of three years, you've had 80 complaints.

MR. KLINE: That's correct.

ASSEMBLYMAN SCHUBER: Is that correct? And, as a result of the 80 complaints, you've resulted in six suspensions -- I'm sorry, six revocations of the licenses of six of the these 3200 stations.

MR. KLINE: That's correct.

MR. EDWARDS: It's not just a result, Mr. Chairman, of the 80 complaints; it's the whole system that develops -- the

complaint, the suspensions.

ASSEMBLYMAN SCHUBER: Oh, I'm sorry, the whole monitoring system.

MR. EDWARDS: It's the whole monitoring system. It's not-- The complaints are only one component of that.

ASSEMBLYMAN SCHUBER: And there have been 169 suspensions over that three-year period?

MR. KLINE: That's correct.

ASSEMBLYMAN MARTIN: Can I ask something related to that?

ASSEMBLYMAN SCHUBER: Yeah, go ahead. Assemblyman Martin.

ASSEMBLYMAN MARTIN: Just on that subject, obviously the problems that you refer to as complaints could take different forms, two of which I could assume would be-- Excuse me. One would be that the station doesn't perform what is needed to, but, rather, just puts a sticker on and pass it through the vehicle without performing the needed corrective action.

Another scenario that I could imagine would be that the station performs unnecessary operations, and then bills the customer accordingly.

I'm just-- I'm not saying that I'm covering the whole gamut, but perhaps, based upon the complaints that you've seen, Bob, can you just give us a little flavor as to the more common situations that have occurred with respect to the complaints?

MR. KLINE: I think the most common complaint is the one you're referring to, the complaint about the fact that the individual who goes in doesn't feel that he should have failed for emissions. You know, he disagrees with what was done. He feels that his car is in better shape, that he was gauged perhaps, but this is a rarity.

Also, it goes to the extreme. We cooperated with a local law enforcement unit within the past year, where someone

-- a law enforcement official -- had an interest in a private garage, and was passing vehicles that should have been failed, and we sent in a test car. Our independent monitoring unit worked with the local police force, and an arrest was made as a result of that.

So, it does run the gamut.

MR. EDWARDS: I can give you a better break. Our very efficient staff just slipped me a slip of paper that I think can give you the details.

The types of the 80 complaints: Certifying without repairs were 54; overcharging were 16; performing initial inspections instead of reinspections were 6; failure to maintain an ample supply of stickers was 4. They didn't have stickers on hand, so we got a complaint that they couldn't get their sticker and they got their car inspected.

And, we can probably give you more information on the breakdown of the suspensions, which I have some of that here that I can supply the Committee, if you'd like it.

ASSEMBLYMAN SCHUBER: What was the average life of the suspension?

MR. EDWARDS: We have four at 30 days, two at 60 days, one at three months, two at four months, eight at six months, two at nine months, five at one year, one at 18 months, five at three years. Two went to formal hearings. There were 12 dismissals. We have four pending further investigations.

ASSEMBLYMAN SCHUBER: This was all over a three-year period then?

MR. EDWARDS: Yes, it is. And, we'll try to get you-- I'll try to get you all this information, Mr. Chairman, so the Committee has it.

ASSEMBLYMAN SCHUBER: What's the procedure for licensing a station for the purpose of being allowed to do State inspections?

MR. KLINE: They have to make application to the Division. The Division sends out someone to check to see if they have the equipment. There's mechanic certification that was in this law. They have to have training on how to inspect the vehicles and how to use the equipment. All that's a process that is by formal application and review to the Division, and takes probably about six or seven weeks to complete from the Division standpoint.

ASSEMBLYMAN SCHUBER: I assume that the major piece of equipment that they use -- that the station would have to have is the auto emission tester.

MR. KLINE: That is the most expensive aspect of the private garage.

ASSEMBLYMAN SCHUBER: What is the price of that?

MR. KLINE: About \$7,500, I believe. Gerry, is that-- (addressing someone in audience)

FROM AUDIENCE: Eighty-five hundred.

MR. KLINE: Eighty-five, okay.

FROM AUDIENCE: Eighty-five hundred dollars.

MR. KLINE: We have five vendors who have been licensed by the State to compete in that area, and that was successful in bringing the price down. Initially, it was \$10,000 when we discussed it. There was also a yearly maintenance cost of about \$100.00 a month -- \$150.00 a month, excuse me.

ASSEMBLYMAN SCHUBER: Let me ask you this. Over and above the equipment -- the initial purchase of the equipment -- are there any other charges? We have some folks here from the service stations. I appreciate that, and they will be testifying later. But, are there any other charges, on a monthly basis, to the service stations for doing this?

MR. KLINE: As far as the equipment?

ASSEMBLYMAN SCHUBER: Yeah.

MR. KLINE: No.

ASSEMBLYMAN SCHUBER: What about the canisters of the air and all that stuff? I assume that has to be replaced all the time.

MR. KLINE: About that you will have to talk to the people--

MR. EDWARDS: I'm sure they have some costs attendant to operating the reinspection or initial process, which includes maintaining the analyzers and their other equipment, for which they are charging a fee, and they are collecting those dollars. But, from the State, other than their original licensing fee, I know of no other expenses that we mandate on them, other than maintaining their equipment and keeping it in good working order and meeting our monitoring requirements for efficient operations.

ASSEMBLYMAN SCHUBER: What is the standard fee now for private inspection? I think it is in the statute; I'm not sure.

MR. EDWARDS: I think it's \$15.00.

ASSEMBLYMAN SCHUBER: Fifteen dollars?

FROM AUDIENCE: Between-- It's half of the hourly wage. They can charge-- They establish what their hourly rate is, and it's one-half of that hourly rate.

MR. EDWARDS: They get an hourly mechanic's rate, and whatever one-half of that hourly mechanic's rate-- I think it runs about \$10.00 or \$12.00, or \$15.00.

MR. KLINE: I thought you were talking about the licensing for the State. In other words--

ASSEMBLYMAN SCHUBER: No, no, no; I'm talking about what the motorist pays for--

MR. KLINE: The motorist pays, yeah. In the statute it says that it is one-half the hourly rate established by the station. It varies from North Jersey to South Jersey, obviously.

ASSEMBLYMAN SCHUBER: Does it have to be posted?

MR. KLINE: It has to be posted, yes, in a prominent place. That is all under the legislation.

ASSEMBLYMAN SCHUBER: Assemblyman Schusted has a question.

ASSEMBLYMAN SCHUSTED: Can a person then shop around for a reduced rate?

MR. KLINE: Certainly. Sure. He would know beforehand when he pulls into a particular garage because it would be posted. So, he could go to a different station if he thought it was excessive. In many cases, garages, Assemblyman, if I may, waive the inspection fee if, in fact, it is a regular customer and it's a normal type of maintenance that is being performed. They do the inspection without assessing a fee.

ASSEMBLYMAN SCHUSTED: With reference to the emissions machines-- Now, you say there are five vendors. Are standards set by the--

MR. KLINE: The standards were developed and promulgated through regulations by the Department of Environmental Protection, and they have to meet those to be approved by DEP.

MR. EDWARDS: DEP approved all the five vendors, the machines, the quality of the machines, what they did, what they produced, and what level of performance they had to meet. You should also know, I think, that these machines -- the analyzers -- are going to have to go under some kind of a maintenance contract. I understand there is some discussion about some significant cost to the individual station for the maintenance contract on that analyzer over a period of time. Again, that is for the second year of the contracts, which we are just now coming into. I doubt that the issue of maintenance contracts is being resolved pending a resolution of whether this is going to be a permanent process or not. I imagine that would be significant to the individual garage owners and a significant expense they would have to lay out on an annualized basis.

ASSEMBLYMAN SCHUBER: Assemblyman Miller?

ASSEMBLYMAN MILLER: Through you, Mr. Chairman. First of all, I think the powers that be -- the Governor, you, Cary, you, Bob -- are certainly to be congratulated for what has happened here. You have turned something around that was getting to be a real political football here for a while. You have taken the sting out of that, and have really made this thing work. Just from what I have read, what I hear today, and what I have seen personally with that Wayne Inspection Station, you certainly have cut the lines down, and things are moving properly.

But, just a question. You're talking here about the passenger vehicles. What about the trucks and the buses? How does that fit into the scheme of things as far as the future is concerned?

MR. EDWARDS: You've got-- Someone on my staff can tell you more specifically, Assemblyman, but we're looking-- This past January, we were required to do about 500,000 new commercial vehicles, which originally was for safety inspection and then for emission testing. Those were all vehicles over 6,000 pounds that came into the system, that were not there before. That is an additional burden.

But, you also should recognize that our estimate showed there are about 1.7 million new handles on an annualized basis, that we are going to have to absorb by 1987. Some of those came on line this past July; some of them will come on line by May of 1987. They fall in the categories-- They all revolve around emission testing. After you get through the 555,000 handlings for gasoline vehicles, we call them over 6,000 pounds, which are commercial trucks, there are all tighter emission standards that have gone on and will continue to go on -- anti-tampering checks, reduction in new cars. When you used to buy a new car, Assemblyman, you had two years before you brought it to inspection. Now, you are required to bring it back after the first year. That went into effect in

January of 1985, but the impact is only being felt this year for all those new cars that were purchased. So during this year, that will add 540,000 new handles to the system.

In May, 1987, we are going to have tighter emission standards for pre-1981 vehicles over 6,000 pounds, which will add 240,000 new handles to the system. In May, 1987, we have to bring in diesel-powered vehicles for emission testing. Various things like that are coming on, based on our SIP, our State Implementation Plan for air quality.

You should also recognize that a lot of the things we have done over the last year that have added new requirements to the system aren't felt for one or two years thereafter as they fall into the inspection schedule. The minute something becomes effective, you don't get 500,000 vehicles that month; it feeds out over a 12-month period, which we are just now bleeding into, which is why we are going to need to continue to expand the State system. We also need to promote, much more aggressively, the private system, so that the public knows it's there, so we can maintain the delicate balance we have that has delivered some of the best quality service in inspection, I think, that the State has seen in 20 or 30 years.

We debated the philosophies of this issue -- I did personally -- with this Legislature, about two and a half years ago, three years ago, when the issue first came up. What you have seen come out of this process is this piece of legislation. What you have seen work in the process is what I think we predicted would happen back when we asked to go to public/private in the first instance. We are back here to tell you today that what we said would happen we have done, and it's time to make it permanent so that we don't continue to risk an already fragile Division of Motor Vehicles. I think the Division and its personnel are very, very proud of the level of success they have had with it, but it's a very tenuous issue. We feel like we have been juggling for these two or three years

with it being a temporary experiment. How many stations do you build? How do you plan for the future? How many new lanes do you put in? How do you replace lanes? How do you promote a system that you can't say is going to be permanent? It's vitally important that this Legislature move expeditiously to do that because every month our number of handles based on these new testing requirements are going up.

You should also know-- Somebody from the Department of Environmental Protection is here who can testify for you and perhaps demonstrate the analyzer a lot better than I could, but it is important to recognize that there are still some unresolved issues as to the levels of emission testing that we are going to have to do that are still being debated between the EPA, the DEP, and ourselves. For instance, there is a potential that we may have to open the hood of every vehicle and check to see if the emissions equipment in the engine and around the engine is there, is functioning, as an additional level of check. What that will do from a time line is just obscene almost to the system that we are presently dealing with.

We have been working with the EPA and the DEP, using our system as a testing grounds for how we can better improve the quality of air in the State, without having to inconvenience the public at the same time. We need a stable inspection system to do that. We need to be able to plan for the new lanes that we have to build versus the private system. We need a stable private system that is predictable, that is not one that seems to move on the vagaries of the month, or the week, or the year, because it is a much too long-range process.

We also need the Legislature to be patient and understanding when these new events happen that there is a long lead-in in feed time into it. They can't expect instantaneous results. The same applies, really, to the entire Motor Vehicle operation, which we will get into at further hearings.

ASSEMBLYMAN MILLER: To boil it all down, Cary, what you are really saying is that you have plans to run a 100% inspection of all trucks and buses in the State.

MR. EDWARDS: That is correct.

ASSEMBLYMAN MILLER: Whether they be gas, or oil, or diesel, you are going to-- That, again, would lead, I suppose, to additional lanes being required for these larger vehicles and taking more time to inspect.

MR. EDWARDS: They came into the system, Assemblyman, in July, so we have been -- in January, excuse me -- so we have been feeding those in as we go through this particular process. You have already seen some of the impact of them coming into the system.

ASSEMBLYMAN MILLER: All right. Now, what about the private stations? Are they going to be allowed to inspect the buses and trucks also, or is that--

MR. KLINE: There are what we term in-terminal inspections for buses and trucks now. Part of the original legislation, Assemblyman, was that you could be licensed for in-terminal inspections, you know, if you were a trucking company, or if you had a business that had a lot of trucks or buses, or-- I think the figure then was 51 reduced to 10, to allow more people to do that, again, to relieve the burden from the State system. However, because of the fact that the emissions analyzer requirement was expensive, that prohibited a lot of the smaller companies from going into it. Once it is made permanent, that may be an incentive for them to do that.

As far as school buses, we require them to come to the station. We feel that that is important. That is another significant improvement that public/private has allowed, so that we can get these school buses into the State system to make sure that they are safe.

ASSEMBLYMAN MILLER: If I may continue, Pat--

ASSEMBLYMAN SCHUBER: Yes.

ASSEMBLYMAN MILLER: The only complaint I've heard on this emission testing is that it is too critical on these older cars. I don't know how old that means -- the emission testing.

MR. KLINE: The emissions aspect?

ASSEMBLYMAN MILLER: Yes, the emission testing. Is that a factor here? Is this going to have some effect upon people owning cars that are two, or three, or four years old, so that they can't qualify for this without going to an expensive repair job?

MR. KLINE: Well, in effect, Assemblyman, it will get more critical for cars pre-1981 as of May, 1987. What it will mean is an increase in the rejection rate of those cars. That is something we, as a State, really have less control over probably than we would like to because it is required under the Clean Air Act and the SIP that is filed. I think that this is a reality that we just have to face.

But, fortunately, it has been phased in. The anti-tampering checks that the General was referring to earlier that we have started doing this year only affected 1985 and newer cars. These are checks on the inlet restricter to make sure that people are not using leaded gasoline, and a visual inspection underneath the car to make sure that the catalytic converter hasn't been taken off. These are the types of things that the public is going to have to deal with, not because of the Division of Motor Vehicles or the State of New Jersey per se, but because of the whole picture that we have from the Environmental Protection Agency. So, it will get more critical, you are correct.

ASSEMBLYMAN MILLER: One other thing, Pat. This is probably the wrong Department to say this to, but because of what you have going now with the agencies and that particular situation-- I am a firm believer in privatization. I think that any time government gets involved in anything, you can't

go anywhere but downhill when it comes to operating something that the public could take care of, starting with the Post Office right on down.

Have you given any thought to getting out of the inspection business statewide and turning these inspection stations over to private industry whereby -- and I know that bidding becomes a situation-- I recognize the pitfalls. I recognize that something would have to be done to safeguard this from becoming a political situation, and also a safeguard as far as being sure that the thing is run properly. But it seems that you have the dominoes all in place, the soldiers in place, to inspect your private stations now. Why couldn't we put this out and get out from under as far as the State running inspection stations, and still control and supervise and inspect and police the action of this thing. Have you given any thought to that at all?

MR. KLINE: I think that is a good observation. It is something we have given a lot of thought to. As a matter of fact, when private/public was first discussed, we looked at a lot of other systems in other states -- Arizona and Connecticut -- where they have completely gotten out of the inspection business and have, in effect, gotten contracts to-- A vendor, Hamilton, is one that comes to mind, that is doing it in Connecticut and Arizona, where they set up the inspection station themselves, where they process the vehicles through, only for emissions. But what we found with that was that it is a very expensive proposition to the motorists. The motorists, as of last year or year and a half ago when we examined this, were paying \$10.00 just for an emissions inspection to the private contractor. The problem with that becomes that you are doing away with the safety check. It is a much more expensive proposition, and I think the positive aspect of this system in New Jersey -- public/private -- unlike New York, where it is all private, or Pennsylvania, is that it provides the citizen

the right to do what he wants to do. If he wants to go to the public system, whatever the benefits or the negatives about it, he chooses to go, and it costs him, right now, \$2.50, which is in his registration fee. If that same citizen, for whatever reason, feels compelled to go to a private station and can afford to pay the \$15.00 or the \$16.00 it is going to cost him, that is the citizen's choice to do that.

I think that balance is important. In New York and Pennsylvania, I don't think it works as well as in New Jersey. In Connecticut and Arizona, it is much more costly, and you are not getting any type of safety inspection. In Florida, they did away with the safety inspection completely, and now there has been a cry from the public, in many quarters, to bring it back because of the unsafe vehicles on the road.

So, I think what is good about the New Jersey system is its flexibility, its success in providing the checks on the private as well as the public system, and the fact that it affords us the ability to handle the very burdensome types of regulations that we are going to have to impact on the system through emissions requirements in the coming years, that if we did away with it and went totally public or private we would never be able to meet the demands on the system. And I think that is the critical issue.

ASSEMBLYMAN MILLER: I recognize the implications and the-- Something really has to be done to study the overall picture, but, you know, we say the citizen has the right to go to the private or to the public, and it goes to the public. Of course, the State is subsidizing that whole thing through taxes. We do not break even. We lose money, and in effect, on the public sector.

I don't know whether or not you could find a break-even point whereby, first of all the 250 would come out

of the driver's license right away, and that would be -- reduce that. So that's 250 towards the inspection of a car.

MR. EDWARDS: The registration.

ASSEMBLYMAN MILLER: Registration, I should say. Then, secondly, of course, is that we, statewide, would get out from under as far as pensions, and holidays, and all that goes with the fringe benefit package of the employees that we now have in that particular area. Now, whether or not that can be worked in as a saving some way along the line, or maybe the subsidy -- if that's what we want to call this -- should go towards -- should help out in the contract with any private operation of an inspection station. Maybe the man should be subsidized to a degree so that the people going there do not have to pay that same amount that they're paying in a private garage.

What I'm looking at is I think we have too much involvement in the private sector, and I think we should try to get out as much as we can. And if this is one way to do it, maybe it should be checked into and looked at to get out from under. I know what we have to do is as you're doing today: go around and spot them, check them, and take a look and see what's going on.

MR. EDWARDS: Mr. Miller, we'll be happy to look at that. Our problem in making an analysis of what our costs are for operating a State public inspection system, versus what the options for various private ownerships of it would be, has never been stabilized or put together. If we could get this public/private together, get our State system functioning at a level that we would mandate anyone from the private functioning at, then I think we can make some decisions as to whether we sell it off, contract it off, at a level that would be cheaper for the taxpayers, and for the motorists in the State. But, we've never had a stable budget. We can't even put together a stable budget, because we're constantly in this kind of

buffer. For three years now, I personally, on the inspection alone, have been involved in trying to resolve a permanent system that we can work with, that we can predict, and plan with. And we haven't had that. It's always been temporary; it's been, give us a report -- take a look at this -- come back a year from now-- We must get into some kind of long-range planning and put a system together that means something. That's why the permanentization, and the inspection side, and driver testing, is so important. We made major strides over the last three years, but then we'll be able to do that cost benefit analysis. Can we do it cheaper -- the State, or can the private sector do it better? And you're absolutely right. The private sector can do it better, and we can guarantee the level of service that they should be getting, then we should be offering those options. And we'll be happy to look at that.

ASSEMBLYMAN MILLER: I think, Cary, what I'm saying here is that we've done such a terrific job -- you've given us a terrific job -- what you've done so far -- that I'm ready to jump to the next stage right away. But I recognize you can't do it overnight. It has to be, as you say, work into it -- study and work into it. And I think if you do that, I'd be satisfied at least you're moving in that direction. Thank you, Mr. Chairman.

ASSEMBLYMAN SCHUBER: You're satisfied, then, that the proper amount of time for the experiment has gone by for you to judge the success or failure of this to recommend this on a permanent basis, obviously, through your statement?

MR. EDWARDS: Mr. Chairman, I recommended that when I sat before the Legislature originally, to put public/private in place. I said, at that time, to the Legislature, they should have done it permanently, at that point. I still believe that. I understand and acquiesce to the experimental process, because I understand some of the vagaries that are involved. I think the experiment has proven to be a success. I would

assume, at this point, that the Legislature would be prepared to go ahead with that recommendation of permanency.

ASSEMBLYMAN SCHUBER: Let me ask you this: There have been, in some quarters, some suggestions that the State do away with the automotive checks of its inspection system, and just stick with -- or just, basically, be in the business to do the auto emissions testing. Do you have any feelings with regard to that?

MR. EDWARDS: We're not prepared to recommend at this particular point in time any modification in the safety checks -- the items of safety check. I think that's an analysis that we would like to do once we get the system stabilized, to see if it's necessary to do them. We have found, which is a very unique -- and I can't explain it to you in detail-- But the removal of certain safety checks does not increase the speed with which someone goes through the line. Whatever the longest level is to do a component of the check system -- and I think the longest point is at the end, when they put the sticker on -- is what queues people up. And we've done numerous time-studies to demonstrate that. So that, we don't save time by doing that. If there is useless things that we're doing in the process, we might save manpower and internal expense, which is what I'm interested in doing. I'm interested in reducing the cost of the system, but I'm not prepared to recommend to this Committee or the Legislature that we remove any of the safety checks, at this point in time. I've have enough trouble over the last couple of years trying to keep the system going, with the vagaries that we are dealing with. If we can get permanency and predictability, we might be able to come back and make some very affirmative suggestions to you, and to the various budget committees, with reference to the cost of our own operation, and whether we need to be going through all of the items that are on that list.

ASSEMBLYMAN SCHUBER: Assemblyman Martin?

ASSEMBLYMAN MARTIN: General, I recognize your last statement in support of the dual system. Just taking that a step further, theoretically, at least, we're looking at a choice of letting the system lapse. As you see it, that alternative -- to go back to the prior system of just of the public, let alone what I view as something of a good faith commitment to the garages that if they worked the system very well, there would be an expectation that it would continue. But, putting that aside for a second, just in terms of the practicalities of running the inspection system by the Division, that, in your view, is not really a viable, practical option to let the system lapse with the increase in volume that would occur to the public sector. Is that a fair statement?

MR. EDWARDS: That's a very fair statement, Assemblyman. As I told you earlier, we've got about 1.7 million new handles that will be on line by the end of about a three-year period we're in now; ten or fifteen new lanes that would have to be added to handle just what the private system is presently picking-up and handles. Some 2 million handles would cost us, you know, I think I testified, \$11.8 million -- there's a \$2.4 million ongoing annual expense that's attached to that, that we just feel is absolutely unnecessary and only furthers the inconvenience to the public. To that individual--

ASSEMBLYMAN MARTIN: We'd be back to the same lines that led to this.

MR. EDWARDS: We would be back to longer lines. The time line in constructing-- These new lanes that we built to bring our public system up to what we consider a balance between public/private took us almost two years to do. We got most of those lines-- Those new lanes went on line in July of '85. So, for us to turn around at this point and have to add 15 new lanes would take us a couple of years. During that period, the ongoing and continuing turmoil that we've experienced in the inspection system for the last decade would

continue. We believe we're on the verge of having one of the major success stories in State government in our inspection program and driver testing. That does not mean there aren't more things to do. As I said, we can't market it, we can't promote it, until we know it's permanent. We have to have some predictability in this process. The vagaries of unpredictability really need to be eliminated at this point.

ASSEMBLYMAN MILLER: Just in relation to that, is there any estimation on your part that given a permanent status for the private sector -- I think, from what I'm hearing you would expect that the volume of handlings would increase -- has the Division made any estimate, at all, as to what the ultimate number and percentage-wise of handlings would be done by the private as opposed to the public stations?

MR. KLINE: Yeah, we're looking at, if in fact, this is made permanent, we feel that with the original projection of the 6000 garages, that we're looking at a constant rate of a minimum of 20%, and hopefully 30%, participation by the public in the private sector. So, you're looking at -- approximately -- at the optimum level of taking one-third of the handlings away from the public system. And that, in itself, will be a good way of keeping the costs down that Assemblyman Miller was talking about, because, obviously, the more that the private garages handle, the less requirements we'll have on the public system.

MR. EDWARDS: We've got a good balance going now, Assemblyman. And provided we get the budget dollars to continue, the renovation capital dollars -- the renovation and the other lanes that are still part of our plan -- to do the public/private balance, we think we can maintain that balance in a very effective, efficient way, and then make some of the other recommendations maybe two or three years down the road Assemblyman Miller was referring to.

ASSEMBLYMAN SCHUBER: Assemblyman Miller?

ASSEMBLYMAN MILLER: Did I hear you say before, Cary, that new cars have to be inspected one year after purchase now?

MR. EDWARDS: Yes.

ASSEMBLYMAN MILLER: It was two years at one time?

MR. EDWARDS: Yes. That's right.

ASSEMBLYMAN MILLER: I happen to have a bill in to put it back the other way. My question--

MR. EDWARDS: I don't think you'll succeed, Assemblyman. The problem is that the requirement was not one that we put on, but one that was put on by the Federal government in our SIP for emissions and air quality for the entire State. There were various mechanical things that we have to do in the State; some involve private industry; some involve households; some involve products that are sold; but the big chunk of it involves motor vehicle emissions testing. And they can demonstrate that if you bring a car in for an emissions check on a one-year basis as opposed to two on the new vehicle, that they can reduce so many hydrocarbons and so much carbon monoxide at a level of air so that we can try to meet our total air quality requirements.

ASSEMBLYMAN MILLER: I recognize it's hard to beat city hall, whether it's in Washington, Trenton, or your local community.

MR. EDWARDS: This one's in Washington. Believe me, we tried.

ASSEMBLYMAN MILLER: However, I also recognize, in my case at least, I've been through the inspection a few times, and I have no problems with the emissions testing. Do you have any record on this, as far as the inspections after the first and second year, of what the failures are in this area? Do we have anything at all that we can go back to Washington and say, look, this is not cost-effective to do this?

MR. EDWARDS: We don't, because it only went into effect last January. So we don't have any in-house records.

There are some tests, I think, that EPA and DEP have done, and maybe Bob has some more information with reference to that.

MR. KLINE: Yeah, in line with that, Assemblyman Miller, your point's well taken. But we don't always just rollover and--

ASSEMBLYMAN MILLER: Play dead?

MR. KLINE: Yeah, play dead, when it comes to the EPA. For example, as late as December of '85, we were supposed to do -- and we still may, but I don't know at this point -- what is called a "planetesimal" test. That involves taking a piece of treated paper, putting it on the tailpipe with some device, and then seeing whether or not leaded gasoline was used. It's another test to see whether leaded gasoline was used. We asked to see if we could test this in one of our facilities, which we did, up in North Jersey, and the results that we demonstrated, with EPA being present, with DEP being present -- it was a joint, mutual, cooperative effort -- that the tests, at this point, don't seem to be effective. And what that did was, at least for now, prevent the motorists of this State from having to have that test done. And it was time-consuming, and, obviously, would delay the line, it would be costly-- And so, we initiated this, and it is not being done, and we'll have to see what they're going to substitute, but the point is, we don't always just take things at face value from EPA.

MR. EDWARDS: We want to be sure that it has a concrete result in air quality. And I think what you're alluding to, Assemblyman, is that the two-year -- the one-year test on new vehicles may not have that rate of return in air quality. Because none of us want to do anything that would increase or decrease our capacity to improve the air quality in the State. But if it's not necessary, as Bob just pointed out, and does not produce any meaningful result, we're prepared to fight that at any given turn. And we've also been-- Our

system, now that it's working better, gives us a capacity to do those kinds of tests in advance, at least the mechanical sides that are our responsibility.

ASSEMBLYMAN MILLER: Will you be in a position, down the road, six months from now, to be able to give us a report, let's say, of what the rejections were for emission in cars that were one year old. Will you be in a position to--

MR. EDWARDS: I think in a year from now we will be -- a little over a year. Because, I think that when, in January of 1985, which means all new cars are--

MR. KLINE: They just came out--

MR. EDWARDS: They're just coming in this year for the next 12 months as we go to an inspection. So, I would say next January/February sometime we should be able to tell you what the failure rate for new vehicles coming in for a second time--

ASSEMBLYMAN MILLER: I would imagine then, if it's done in New Jersey, it should be a sample, then, for the entire country, and if that's the case, you should be in a pretty good position to go back to EPA and tell them, this is what we have. We get the chance, then, to cut back on our labor requirements, our time requirements, and works if we can save some bucks in that particular area, is what I'm saying.

MR. EDWARDS: Okay. That's another good point.

ASSEMBLYMAN SCHUBER: Assemblyman Foy?

ASSEMBLYMAN FOY: General and Mr. Director, I have a couple questions. One, does, every county have available to it a State Inspection Station? There one in all 21 counties?

MR. EDWARDS: We have attached to the handout you have in front of you, is a listing of the location of all inspection stations and the number of lanes where they're located. We have a chart here (referring to chart being set up behind speakers) Assemblyman, that shows where each inspection station is located, which is a blowup of that smaller map you have as part of the handout.

ASSEMBLYMAN FOY: It looks to me like everybody's covered. I just was curious as to whether all 21 counties had a station.

MR. EDWARDS: Yeah, they are. And, from a management standpoint -- we're kind of proud of this -- we organized it-- In reorganizing the system, where we merged our driver testers and our motor vehicle inspectors into one operating unit, we also divide the State into three operating divisions that monitor the three sections of the State. And that has proven very effective. You should know that there is still some movement of lanes, additional lanes, and closing of lanes in certain areas as a result of physical facilities that are there. Some drive-in theaters, for instance, where we've been using them, are no longer available; we're going to have to build new lanes in those regions. We're trying, also, to balance the geography of those locations at the same time.

ASSEMBLYMAN FOY: My concern is that, if we do go forward with a permanent dual-system, that no one in New Jersey would be in the position of being forced to go to a private garage, if they didn't want to.

MR. EDWARDS: Absolutely.

ASSEMBLYMAN FOY: There will always be an available station in some geographical proximity to go to a State system if they couldn't afford to go to the private. And that's--

MR. EDWARDS: The absolute prerequisite of this program, from the very inception, was that no member of the public should ever have to go to a private station. There should be available lanes, efficiently and effectively, to handle every member of the public that those that chose to do it would be that percentage of the population who, for convenience purposes, preferred to go to the private. We believe that's going to range somewhere between 20% and 30% of the total. We're over 20% now, and we think that's the fair way to do it.

ASSEMBLYMAN FOY: What existing mechanism do you have placed in the Division to handle complaints that people might make about service they received at a private station?

MR. EDWARDS: Assemblyman Kline went through that -- Assemblyman -- Director Kline went through that before--

ASSEMBLYMAN FOY: I came in a little late.

MR. EDWARDS: --Assemblyman, and, in great detail, pointed out to the Committee our monitoring and checking system, which is fourfold. I'll have him do that again, if you like.

ASSEMBLYMAN FOY: You don't have to go through the whole thing. But, let me just give you an example: If I'm dissatisfied with what happened at a particular station, what will I do? Who do I call? If I call Motor Vehicles, what do you do? That's my question.

MR. KLINE: Okay. Well, we have an independent monitoring unit that goes out and investigates complaints. We had 1600 investigations last year, and of that, 169 suspensions, and 6 revocations -- this time I got the figures right on that.

ASSEMBLYMAN FOY: So, there's a mechanism--

MR. KLINE: There is a definite mechanism--

ASSEMBLYMAN FOY: If somebody has a complaint, they call in, you respond, and the people do respond.

MR. KLINE: That's right.

ASSEMBLYMAN FOY: That's going to continue, should the bill for permanency pass?

MR. EDWARDS: Sure. We do independent monitoring outside of that; not just based on our response of complaints. We have two or three systems that aggressively move out, and check--

ASSEMBLYMAN FOY: And all of this is handled manually? None of this is on the computer yet, is it?

MR. EDWARDS: Some of our problems are computer oriented, even with reference to driver testing, Assemblyman. We can't-- We're having trouble with some of the components because of the computer -- some spin off in driver testing and the inspection systems, as a result of the computer problems, but they'll be corrected, we assume, over the next six or eight months.

ASSEMBLYMAN SCHUBER: Just following-up on what Tom asked, there are no plans to close any of the public State-owned Inspection Stations as a result of the permanency of this set-up, is there?

MR. KLINE: Well, some will be closed, but will be replaced. If it's closed, it's because we're being, you know--

MR. EDWARDS: Evicted.

MR. KLINE: --evicted by the landlord, or whatever.

ASSEMBLYMAN SCHUBER: But, there is no--

MR. KLINE: But they'll be replaced.

ASSEMBLYMAN SCHUBER: Your desire is to continue the set-up -- or the system -- in the same geographical areas as they are, so there would be no loss or forcing of the people to go to a system they may not want to do?

MR. KLINE: That's right.

MR. EDWARDS: We believe -- we're not positive of this -- but we believe there's a need for, not only replacing some existing lanes that are out there, but, probably, ten additional lanes around the State that should be added to the gross number that presently exist. So there will not be a reduction, there will most likely be an expansion, based on how our studies show.

ASSEMBLYMAN SCHUBER: No, I think he raised an interesting point, which I think is the fact that if we are going to make this permanent, the point of view is, we don't want to force people to go from one to the other, as a matter of free choice, and we want to make sure that the

availability-- Obviously, with 3200 private stations, there's certainly going to be one in almost everybody's neighborhood, but for the public stations, you want to make sure they have the advantage. There are many people-- Obviously, from the statistics, more people still go to the public system than they do to the private.

MR. EDWARDS: Yes, that's correct.

MR. KLINE: That's correct.

MR. EDWARDS: That's a question of appropriations, sometimes, too, Mr. Chairman, as to whether or not the capital dollars are made available to the process in order to construct the necessary facilities.

ASSEMBLYMAN SCHUBER: Well, I appreciate that. I'm sure this year you'll have the opportunity to give that twice, this year to the Committee-- That'll make your argument that much more strong. Are there any other more questions with regard-- Yes, I'm sorry. Assemblyman Shusted?

ASSEMBLYMAN SHUSTED: Just one question, General. Are you satisfied that with the existing law and the extension which you seek today, and with the regulations that Motor Vehicle Division has promulgated, that the public is being adequately protected concerning rip-offs by private operators? And I'm not implying that there are rip-offs, I'm concerned about that, because I know in other States that has been a problem. And I think that we, as Legislators, ought to be looking to that, and I know that you are. My question is, are you satisfied that the existing law, or the new law which you are promulgating, will adequately protect the public?

MR. EDWARDS: In summary answer to that, yes. Does that mean that we will never have a rip-off that will happen out there? No, that doesn't mean that. You can't have three to six thousand private inspection stations out there and 82 or 86 lanes of public system out there, without having rip-offs. We have rip-offs in the State system. We have inspectors that,

from time to time, have done wrong. You can't have that number of employees and that kind of an operation without somebody getting cheated somewhere along the line.

The more important question is, do we have the most aggressive and affirmative program to catch those people when they attempt to do that? Yes, we absolutely do. And as Director Kline pointed out earlier, that four-pronged system, and our checks and balances within that, we have found work. There have been actions taken which we talked about -- the number of complaints, the number of suspensions, the number of revocation of licenses, some actions taken against some of our public employees over the last two or three years, all as a result of that internal audit of field monitoring operations, and the other systems and checks that we have in place. And, yes, I'm satisfied that the system is there to do the best that human beings can do to catch people who want to try to beat that system. And I'm more than satisfied with it. We can do some things to beef it up: our internal audit system, our operational audit system we were talking about -- some things need to be done with it. If we get the system permanent, we can then permanentize some of those and even make them better, and continue to improve them.

ASSEMBLYMAN SCHUBER: Are there any other questions? Assemblyman Bocchini, please.

ASSEMBLYMAN BOCCHINI: This may be best answered by the Director. It is my understanding as of June the Division stopped compiling statistics on the number of vehicles rejected in the private system. Is that correct?

D O N A L D G I B E R S O N: (speaking from audience) Yes, sir. We did discontinue the-- We have, since the private sector has been involved statistically--

ASSEMBLYMAN SCHUBER: Hold it for a second, sir. Why don't you come up here?

MR. KLINE: This is Don Giberson, who is the Assistant Director in Charge of Vehicle Inspection.

ASSEMBLYMAN SCHUBER: The record should indicate Donald Giberson, Assistant Director of Safety Standards and Driver Testing for the Division of Motor Vehicle.

MR. EDWARDS: It's Mr. Giberson who's been the one in charge, on a day-to-day basis, of trying to put the system together, and deserves a great deal of credit for the success of that.

ASSEMBLYMAN SCHUBER: I'm sorry to interrupt you. Go ahead.

MR. GIBERSON: That's okay. We discontinued taking the statistics on each rejectable item at a private garage. It was a very time-consuming, manual system of collecting this data. Each investigator goes around to the inspection site each month, so it's a massive data collection that's done on a manual basis. We have a history of the data that's been collected in the private sector, and on a random basis we will go back, just to see that the checks and balances continue, in the same rejection categories. So, yes, we did discontinue that. But we will be doing it on a random basis.

MR. EDWARDS: It's not productive, I think, Assemblyman, to collect each single item and reason for rejection. It's important to know that they were rejected, it's important to have some checks and balances to see that if there's a consistency of rejection it meets the model that we have. That can be done on a random basis, without going through a whole lot of State expense to do it, and provide just as accurate a body of information.

ASSEMBLYMAN BOCCHINI: Fine. Is there a-- Notwithstanding that, do you at least keep a statistic as far as rejections, not on particular item of rejection. In other words, 3200 stations--

ASSEMBLYMAN SCHUBER: Overall--

ASSEMBLYMAN BOCCHINI: Overall rejections. Thank you.

MR. GIBERSON: There's another point here that every analyzer has a tape. That data is collected in the tape. Every inspection has to go through that process through the analyzer. The data is then picked up every month by our field representative and then sent to DEP for analysis. So that data is being collected on the analyzer.

MR. EDWARDS: But, yes, we are collecting the rejections.

ASSEMBLYMAN BOCCHINI: The analyzer is only for emissions, correct?

MR. GIBERSON: On initial inspection, they put all the data in on safety--

ASSEMBLYMAN SCHUBER: Joe, they're going to bring the machine in, but I think it'll cover all the data that is on the computer tape.

ASSEMBLYMAN BOCCHINI: Fine. I'll wait for the machine, then. Thank you, Mr. Giberson. A couple other questions. Attorney General, the-- I understand that your testimony has been to the extent that we now have a system -- which I am inclined to agree with -- that is a quicker system as far as those persons who have to go to an inspection station, and it appears that the thrust of your testimony is it's based on the advent of the private garage inspections. Now, fine, I see you shaking your head that that's not correct.

MR. EDWARDS: No, it's a combination. It's the whole system, Assemblyman, I think.

ASSEMBLYMAN BOCCHINI: But, what I want to get back to is, in 1982, when we had, I think the State Legislature, and the Administration -- when we didn't supply sufficient fundings for the public sector, we, in part, created that ourselves. Would that be a fair representation?

MR. EDWARDS: Yes, I think I even said in my testimony that there were budget freezes that were put on by the Byrne

Administration in the FY '82 budget that actually precipitated that. Yes, it was no question.

ASSEMBLYMAN BOCCHINI: But that carried through into this Administration, didn't it?

MR. EDWARDS: There was no question that there was a lack of sufficient appropriations that helped create the system. It is also no question that we're talking about a system that's a success as a result of four or five different actions that were taken, not just the advent of private. But private is a major component of that, because it's handling 20% of the handles now; 10% of initial inspections. And it is a major component of it. I think I indicated that the merger of the driver testing and motor vehicle inspectors to allow flexibility to move people to driver testing when we were not in peak periods of inspection, and move driver testing people into the inspection process also improved that system. We appropriated about \$10 or \$12 million for the construction of new lanes, because the commitment was made, when we went to public/private, that no member of the public should ever have to be forced to a private system -- they shouldn't be -- and that we should have enough capacity to handle every member of the public who wanted to go to a public station without having to pay the additional fee at the private side. But that there was a body of people who were prepared to go to the private sector because of convenience; because of the time that it would take them to drive -- even if it's five minutes -- and they would just prefer to do it. And if we could relieve our system of that, we should do it, because to bring those people back into the system, eliminate public/private, would cost us \$10/12 million more in capital and \$2 - 3 million more in annual expenses, and the taxpayers to handle it, for people who don't want to be there in the first place.

ASSEMBLYMAN BOCCHINI: I didn't realize that was all part of my question.

MR. EDWARDS: It was all part of my answer.

ASSEMBLYMAN BOCCHINI: The-- Getting back to 1982 -- the point I'm trying to make is -- what may have started in the Byrne Administration -- as you state -- continued into the Kean Administration. We-- My understanding and my recollection is, we had attrition in relation to DMV inspectors, and freezes in relation to DMV Inspection Stations, and also budget restraints in relation to the public inspection system. Now assuming, for the sake of conversation, that those levels were such that the cutbacks or the freezes weren't as severe as they were over the last couple of years, and we operated at maximum level, it's a given, in my estimation, that the private garages have a very substantial impact on the system. And I've used both, you know. I've used both of them in the last couple of years, however-- What I'm trying to ascertain is, where would we have been -- notwithstanding the entry of the private garages into this system -- if we had maintained the type of level that we had prior to 1982? Would it have been so bad in 1983, as far as the lines were concerned?

MR. EDWARDS: Of course not.

ASSEMBLYMAN BOCCHINI: All right.

MR. EDWARDS: As a matter of fact, if we had not appropriated the extra dollars, we would have still had a walking catastrophe. The private system couldn't pick it up. However, the amount that was appropriated, in the real world, was not enough to handle everything that was there. That 20% that's being picked up now by the private sector, would have caused a disaster over the last two years, and a continued disaster without the appropriations, and you'd have to get more dollars. So, no, the Legislature nor the Administration appropriated enough money in total, if we forced everyone into the public system. But since we gave them the option to go to the private system, we were able to save about \$2.5 million a year in taxpayers expenses for people that wanted to go to the

private system. It would have had to have been appropriated otherwise. So, I'm saying there's an economy to it, and yes, we did, over the last three years we've appropriated a significant amount more money to be sure that that public system worked better, to everyone's credit.

ASSEMBLYMAN BOCCHINI: Fine. So, I'm just-- My point, very simply, Mr. Chairman is that-- And I favor the private inspections to continue, but I don't think it should be alluded to -- and I'm not saying that necessarily it has been -- that they were a messiah to the public. You know, we were a detriment to the public in not providing what was needed.

MR. EDWARDS: That's right.

ASSEMBLYMAN BOCCHINI: Thank goodness they were there, you know, because when it was tough they were there to help us out. Thank you.

ASSEMBLYMAN SCHUBER: Thank you. Any other questions? General Edwards, and Director Kline, and Mr. Giberson, I appreciate, very much, your being with us. Now, on your testimony, we appreciate the data you've given to us; we look forward to seeing you in approximately several weeks as we move on into the agency system. Again, we appreciate your cooperation. Thank you.

MR. EDWARDS: Thank you Mr. Chairman, very much. I would urge the Committee to act as expeditiously as they could. The longer this does delay, the worse the problem--

ASSEMBLYMAN SCHUBER: Well, my initial feeling of parameter on this is too, that we will continue-- We have other witnesses today.

MR. EDWARDS: I understand that.

ASSEMBLYMAN SCHUBER: But, we will continue this hearing in two weeks here, and then try to make a recommendation out to the appropriate legislative committee by the end of March, so that we can now move on to the agency system as a result of that.

MR. EDWARDS: Good.

ASSEMBLYMAN SCHUBER: So, I appreciate your candor. Thank you very much.

MR. KLINE: Thank you, Mr. Chairman.

ASSEMBLYMAN FOY: Let me ask a question.

ASSEMBLYMAN SCHUBER: Yes.

ASSEMBLYMAN FOY: You're not going to delay-- We're not a reference Committee, but we can make a recommendation.

ASSEMBLYMAN SCHUBER: Yes.

ASSEMBLYMAN FOY: You're not going to wait to make a recommendation regarding your legislation, are you?

ASSEMBLYMAN SCHUBER: No.

ASSEMBLYMAN FOY: I mean, I think it ought to roll now.

ASSEMBLYMAN SCHUBER: Well, it's up to the Committee. That's up to the Committee. If the Committee's satisfied today, they can do that.

ASSEMBLYMAN FOY: I like it so much I want to cosponsor it. (laughter)

MR. EDWARDS: Thank you, Mr. Chairman, very much.

ASSEMBLYMAN SCHUBER: Thank you. Now, I wanted to bring--

ASSEMBLYMAN BOCCHINI: Pat, I just want to--

ASSEMBLYMAN SCHUBER: Yeah.

ASSEMBLYMAN BOCCHINI: It's my understanding-- You know, I know we saved the State \$2 million, as I understand -- as you're leaving, Mr. Attorney General -- but the fact is that the consumers, notwithstanding, contributed or paid an additional close to \$7 million for the private inspections.

MR. EDWARDS: I have-- We have no way of knowing exactly how much they spent, Assemblyman, because we don't have accurate records on all of the details of each of the individual charges made by the various stations. At least, I don't have that readily available. But I don't know that that's relevant. Since we have had a system that's been voluntary, we have--

ASSEMBLYMAN BOCCHINI: The only relevance is in the cost factor to the public, whether it be in private dollars in private enterprise, or in public dollars. That's all.

MR. EDWARDS: Well-- Thank you.

ASSEMBLYMAN SCHUBER: I just want-- I'm sorry, General, thank you. Director Kline, thank you very much.

Mr. Walton, the President of the New Jersey Automobile Dealers Association, had a time problem. Is he still here? (no response) All right, is Mr. Elston going to demonstrate the machine to us? Mr. Elston from the Division of Environmental Quality, the Bureau of Air Quality Management Surveillance, Department of Environmental Protection. Mr. Elston, why don't you come forward, and bring in your machine, and see what happens.

J O H N E L S T O N: We have prepared a statement.

ASSEMBLYMAN FOY: Did you bring in some carbon monoxide -- you got a jar of that somewhere? (laughter) (at this time, Mr. Elston's assistants set up analyzer, and Committee members adjust their seating arrangements to view demonstration)

MR. ELSTON: This will take a few minutes to set up. It's a little noisy, so we'll try to show you as best as possible. Mr. Chairman, if I could take a few minutes beforehand, I--

ASSEMBLYMAN SCHUBER: Certainly, Mr. Elston, go ahead.

MR. ELSTON: Okay. My Department's interest in this is essentially one of quality assurance. I think that the private inspection program, if it succeeds, depends upon the quality assurance of the test itself, both from the standpoint of a service mechanic and the equipment he uses. What makes emissions a little bit different -- in fact, very different -- from safety, is that safety, if a headlight is out, you know it's out. You can see it's out. The horn works or doesn't work. The brakes are not quite as well, the motorist has a perception that it's not working properly.

With automobile emissions, this perception is not there. Carbon monoxide is invisible, hydrocarbons are invisible. There is not the confidence, in the public aspect, to know whether his vehicle is a clean car or a dirty car. We believe it's very important, therefore, that the motorists have some kind of verification that when he has a test, the test was done correctly, and that he has a receipt. This instrument is, essentially, like a cash register. When you come from a supermarket you will get a receipt with it, and it will show whether your vehicle passed, whether it failed, what the components were, and for each -- hydrocarbons and carbon monoxide.

I think that's the crux of the important aspect. And to answer another question that came up, not only does the -- are the emission values put on this piece of paper, but also the private garage mechanic also puts on whether the vehicle has passed or failed for some of the safety checks as well. So the receipt that comes off, he knows the total amount: emissions plus safety, and he has that as a permanent record from which he can now feel assured that what he has paid for he has gotten, so to speak.

Okay, I think we can begin, and David West here is one of our crakerjack employees here, and David, maybe you can just tell us what you are going to do. (speaking to and about gentleman demonstrating machine) David will take the part of the service mechanic now in performing the emission test.

D A V I D W E S T: It's going to be tough for you to see it. (at this time, witness is away from mike and unable to be completely heard)

ASSEMBLYMAN SHUSTED: Excuse me, sir, would you pick up one of the mikes?

MR. WEST: (takes mike) Okay. The first screen, we have several choices that we can choose. (At this point, Mr. West begins demonstrating analyzer and explaining each display

that appears on screen) Now the first screen is "enter your access code." Each mechanic has an access code. Only that code will allow him to get in to do an inspection sequence. It's a quality control feature all the analyzers have. It's a six-digit code on this analyzer.

The next screen is a four-line entry. It's just for public relations -- it allows the garage to put a message on the printout -- garage name, address, telephone number, whatever. It's optional.

Okay, the first required screen is "license plate number." This is the vehicle's registration number -- six digits.

The next screen is "test-type: initial or retest." Usually the analyzer is defaulted to the most commonly used choice -- in this case it's initial test, all we have to do is press enter.

Okay, the first test is credentials. It's the same thing as at the public lanes -- whether or not he's passed his credentials check -- pass/fail.

This screen is the vehicle make codes. The analyzer will only accept a four-digit code for a model, such as Chevy -- CHEV; Ford-- And these are the acceptable codes, so the mechanic move the cursor to the correct code, and presses enter.

ASSEMBLYMAN FOY: Can I ask you a question at this point?

MR. WEST: Sure.

ASSEMBLYMAN FOY: How many automobiles do you have coded in? Do you give them a list of what manufactured vehicles there are? How--

MR. WEST: There's a required list that we drew in the specifications.

ASSEMBLYMAN FOY: Supposing a new import is introduced? How soon does that go on your list?

MR. WEST: Okay, there's a default, and he presses other.

ASSEMBLYMAN FOY: Other? Okay. So the Hyundi can be an other, and the Yugo, and all those -- I go, you go--

MR. WEST: Okay, next is the vehicle model year. We have just the last two digits of the model year. This sets the emission standards automatically for that vehicle, so, whatever year you put in, the standards are automatically set.

"Vehicle type: light or heavy duty." This applies to the emission's standards; light duty being under 6000 pounds, heavy duty being over 6000, gasoline fueled.

"Odometer" -- We like -- we require that the odometer reading is recorded -- six-digits.

"Fuel type: gasoline or diesel." A diesel vehicle is exempt from the emission test. "Gasoline."

"Number of cylinders"-- and this is for the tachometer pickup.

"Vehicle tampering inspection: pass or fail." Right now, this is the catalytic converter and fuel filter inlet check. If it fails either check it's a failure. "Pass/fail."

"Is this vehicle equipped with an air pump?" This is an emission control device that we have to allow for in the software. It allows for the extra dilution that's caused by the air pump.

"Smoke test." This is visible continuous smoke in the exhaust. "Pass/fail."

"Does this vehicle have dual exhausts?" If it has two exhausts, both are tested and it's automatically averaged.

Okay, that's all the data I just entered. Several items-- He can now check his entry to make sure he didn't make any mistakes. If he made a mistake, he can back up and change it now, because this is going to go on the tape, so it has to be corrected. He doesn't want to make any mistakes. Press "enter." If the data is complete, press the "Start test" key.

Engine has to be operating temperature, and all accessories off. Press "continue." Okay, this screen-- At this point the mechanic puts the tachometer hookup on the vehicle. And now he's checking to make sure the engine speed is not excessive or erratic. He doesn't want to conduct an emission test if the engine speed is erratic or is too hot. So, this gives him a chance to check it out before he enters into the emission test.

Okay, this is simulation-- It says the RPM is 700, the allowable range is 300 to 1200. So he can proceed. Hits "continue"; "insert the exhaust probe into the tail pipe." At this point he puts the probe into the exhaust pipe and he is now ready to proceed with the emission test itself.

He hits "continue"-- Okay, "32 second time test automatically initiated." This flashing message says, "maintain the idle speed," and it counts down from 32 seconds. The actual emissions are averaged during the last 15 seconds of the test. And it's a blind test so that he doesn't know what the results are before the test is finished.

Okay. Results come on the screen: the standards for that model year; the readings; and whether or not it passed or failed. In this case it failed for hydrocarbons and carbon monoxide. It passed the credentials, tampering, and smoke test.

He hits "continue." Now, this is the safety information you were asking about earlier. The five safety inspections -- "pass or fail." He enters the information at this point.

"Enter the emission inspection fee." What he charged for that service; not the diagnostic service or the repair, but just the inspection itself -- \$15, \$10.

"Enter rejection sticker number." This is the number that is on the red sticker. In this case, he failed, so it's rejection. Eight digits, and again we have a summary screen.

Okay, and now the last step is "how many copies do you wish to be printed out?" We can put in as many as we want --

usually it's two. I'll put one. Now when I press print, the information will be printed out and also will go on the cassette tape that's in the back of the analyzer and permanently record it.

Okay, the information's printed, and -- like I said -- it goes on the cassette, and the inspection sequence is over. That's--

ASSEMBLYMAN FOY: How often are the machines themselves inspected?

MR. WEST: Once a month.

ASSEMBLYMAN FOY: For accuracy-- Once a month they're examined? And who examines them? Do we have a division in this particular Division of State government?

MR. WEST: The Division of Motor Vehicle has examiners that go around to the stations with a separate bottle of calibration gas. They run it through the probe, and the results are recorded and compared to tolerances.

ASSEMBLYMAN FOY: Okay. And who keeps the tapes that are recorded?

MR. WEST: The tapes are collected by the Division of Motor Vehicles, submitted to DEP monthly, and we collate them, and have them read for us.

ASSEMBLYMAN FOY: How many of these are in use now, statewide?

MR. WEST: These?

ASSEMBLYMAN FOY: Yeah.

MR. WEST: Thirty-- I believe close to 3200.

ASSEMBLYMAN FOY: Thirty-two hundred? What's the price tag on one of these?

MR. WEST: This model?

ASSEMBLYMAN FOY: Yes.

MR. WEST: I believe--

ASSEMBLYMAN FOY: Is there a better model?

MR. WEST: No. They're all about the same -- 7500 to 8000.

MR. ELSTON: They're all competitively in that same \$7500 range.

ASSEMBLYMAN FOY: This might get hot like the Cabbage Patch Dolls -- in case my kid wants one for Christmas, I was just--

MR. ELSTON: If you like them, yes. Incidentally, this is self-calibrating. You see the bottle that was referred to earlier, about some of the add-on equipments that a contractor could come in in other states -- there's a fee of about \$2 a month to service this and collect the data. In New Jersey, we have an offset. We do save-- Our Division of Motor Vehicles picks up the tapes, however we do not provide a mandatory service contract like which would be the case in Pennsylvania. So, we do pick up these tapes, bring them in; they're processed by DEP and they're contracted right now. We're hoping to get it onto the New Jersey system.

ASSEMBLYMAN FOY: The people -- the mechanics -- that operate this, do they go through some sort of training by the manufacturer?

MR. ELSTON: By the manufacturer, yes. Yes, they do.

ASSEMBLYMAN SHUSTED: Is this one of the five machines that the--

MR. ELSTON: Yes, this is one of the five certified for the private inspection system.

ASSEMBLYMAN SCHUBER: I'm sorry, Assemblyman Miller?

ASSEMBLYMAN MILLER: If I may, Mr. Chairman? You say the tapes are processed? Explain the process. What do they do when they process?

MR. ELSTON: Okay. The tapes come into the State -- it's right now, into an experimental loop-- Right now we're having them under contract to send these tapes out to a contractor to sum-- To assemble the data and to look at the

data in order to come up with some kind of a pattern of how these inspection programs are working. And, in fact, some of the data that the Attorney General did use today was essentially reported from these.

ASSEMBLYMAN MILLER: It has to be read, and lifted manually?

MR. ELSTON: They are automatically processed on a computer -- through a computer -- and then this information then becomes available in summary form -- in summary form -- from which a view of the whole inspection program can be attested to: the failure rates, the passes, the fees, and so forth.

ASSEMBLYMAN MILLER: Let me follow this up then, if I may, Mr. Chairman. At the public inspection stations, they give you a card and they punch holes in it, and the card becomes a manual piece of paper -- there's no computerization of that card, as I understand it. Is there any way that the -- instead of that card, let's say, that we had a card that they used that they used the bubble effect on to mark off, in pencil, and putting a card into the machine to correspond the information coming out on the list, so that the whole thing can be processed rather than just you processing yours with the public? We have no way of finding out what the rejections are, and what areas -- this sort of thing, unless we do it manually. Is there any way of--

MR. ELSTON: The thought was, remembering that we still have about the majority -- 80%, 85% of the initial inspections are done in the private -- to perform an audit on the public inspection lane. Is the question needed to test every single, or record every vehicle -- the four million plus, or five million plus -- handlings? It was decided that we would begin to view an audit procedure, maybe several hundred per instrument, per inspection lane, over the whole State, to get a feel of how, in fact, the public system will be compared

to the private. That part has not come about yet. We're in the planning stage. The equipment is very similar to this, in that it could provide similar type of information.

ASSEMBLYMAN FOY: The printout that we just saw, lists -- it's going that way -- lists all of the bases for rejection, is that correct?

MR. ELSTON: Safety plus emissions, yes.

ASSEMBLYMAN FOY: Right. Just before, we had testimony from the Division of Motor Vehicles, that they've discontinued obtaining that information from each station because it was too difficult to collect and process manually. Everything's on that sheet of paper. What happens to these pieces of paper after they're spit out of that machine?

MR. ELSTON: We don't collect the pieces of paper. That's the motorist verification. They're on the cassette tapes that Dave West had held up here. They are being processed now -- the system -- into the computer. We're able to look at the patterns. We're-- We will be able to define some of the questions that we were not able to get--

ASSEMBLYMAN FOY: But from the data you obtained from those tapes, as it's fed into the computer, the computer could then give us an analysis of what the basis for rejections were, on all of the cars that were tested on that machine or the other five machines -- four machines.

MR. ELSTON: Exactly. Exactly.

ASSEMBLYMAN FOY: So there is a capability to do that.

MR. ELSTON: The capability is coming along.

ASSEMBLYMAN FOY: Okay. All right.

MR. ELSTON: It's not here yet.

ASSEMBLYMAN MILLER: But not in the public sector.

MR. WEST: (inaudible -- speaks away from microphone) We're getting there.

MR. ELSTON: And so what you had seen was some of the earlier numbers, and how we were responding to it.

ASSEMBLYMAN FOY: But if everybody gets one of these to use, okay, there will come a point in time -- we hope, if our computer works over there -- that this data could be fed in monthly, and we could get a monthly report as to why cars were being rejected initially for inspections at private stations. Is that right?

MR. ELSTON: That's our intent.

ASSEMBLYMAN FOY: Okay. That's good. Are we going to put these in the State stations as well?

MR. ELSTON: There is a similar piece of equipment in the State inspection. It does not collect the entire-- You'll notice the time it took David West to do that. If that were to happen in the State inspection, you would have other problems, believe-- The Division would have other problems. Therefore, there would be limited editions -- the inspections numbers, the pass/fail, various things could be done, but not the whole array of data that you have here.

ASSEMBLYMAN MILLER: If I may, Mr. Chairman.

Tom, this is why -- back in my mind, I'm saying, instead of that card, if you could put punch the holes in it, why not a punch card with a bubble -- you could just take a pencil and mark in on the bubbles, the card comes out at the end and you can put that in the machine, have it read, and collate that and put that in with this data here. I don't understand why the State hasn't gone in that direction at this particular point.

ASSEMBLYMAN BOCCHINI: What you're saying-- Excuse me, Mr. Chairman--

MR. ELSTON: The process is moving that way. I think the automation of the inspection data, and verification of it, is moving in the direction that you are thinking.

ASSEMBLYMAN MILLER: Well, then, that being the case, this machine could be used for emissions testing, which was on

that card also, and then that machine wouldn't have to be rolled along with the car for each one of these items. The card would take care of that.

MR. ELSTON: That is correct.

ASSEMBLYMAN SCHUBER: Assemblyman Bocchini?

ASSEMBLYMAN BOCCHINI: I believe, Assemblyman Miller, what you would be referring to is similar to when somebody goes into a deli, buys a Pick-6 -- just color in the numbers.

ASSEMBLYMAN MILLER: That's all.

ASSEMBLYMAN BOCCHINI: So, when they put the sticker -- either for passing or rejection, or a rejection sticker -- when you come through the end of the inspection station, all you have to do is take that computer card and slide it through the machine, and they'd have a record of it. Makes good sense.

MR. ELSTON: There are different methods to do it; that's right. You could--

ASSEMBLYMAN BOCCHINI: I mean, for the public sector -- for the public inspection. That makes good sense.

ASSEMBLYMAN MILLER: Well, it has another advantage. If you wanted to go as far as to find out if every car is registered, and you want to find the register against the cards, you can find out who's bypassing inspections, if need be. You know, there are many cross-references you can make out -- checks.

ASSEMBLYMAN SCHUBER: Any other questions?

MR. ELSTON: I just want to bring to your attention, Mr. Chairman, one other item that the Attorney General did mention. We-- I've also appended to my written testimony some of the clean air trends and analysis that might be useful to look at as far as the successes of the air pollution program.

I also want to bring to your attention -- a brief summary of just the states surrounding New Jersey -- a table here which shows the states surrounding New Jersey and the programs -- the emissions inspection programs -- that are in

those. And we have Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, and Maryland, and New Jersey is listed. And you can make a comparison on the fees, the types of programs, the different types of equipment that the programs use, and so forth in your deliberations.

ASSEMBLYMAN SCHUBER: In summary, it would be fair to say, from your statement and the exhibition that you gave us, that you're satisfied with the public/private system as it's been going on, that it's proved successful and that you would have no objection to continuing that on a permanent basis--

MR. ELSTON: That is cor--

ASSEMBLYMAN SCHUBER: --from the Dep-- From the view of the Department of Environmental Protection.

MR. ELSTON: The Department's view is that the program has been -- worked very satisfactorily; excellent, in fact, and that from a quality assurance perspective, which is what we're most keenly aware, as long as this product is maintained the way it's been designed to do, we think that the program should be retained.

ASSEMBLYMAN SCHUBER: Thank you very much.

ASSEMBLYMAN MILLER: Pat, just one other point. The only complaint -- if it's a complaint -- that I've heard about the machine, and the process, is that it's so critical, that in fact you don't dare sneeze around it or something, and you're going to get a display on that piece of paper that's not going to be the true indication of what -- whether the car really has an emission failure or not. Have you had any complaints in that area as far as the mechanics are concerned -- the people using this machine are concerned?

MR. ELSTON: Fickle machines. There have been a number of complaints, some because the tape -- the tape drives may stick, or something along that line. We're working with the manufacturers on that; in fact, we'd like very much to work with the -- and are working with -- the service mechanic, the

community at large, in developing-- There is a mechanism within the purchase of this equipment, a mechanism to go out among our certification procedures, to -- if we see a pattern of problems developing with this equipment, we can call the manufacturer in and disqualify him from future sales in the State if we find a problem with that equipment -- a pattern problem, not a neglect problem, but a pattern problem, where we'd like to work with the service industry to see that we can guarantee that.

ASSEMBLYMAN MILLER: And if I bring my car in and it fails for emissions, can the mechanic put the thing right back through for a test right away, if he feels that that is not a true indication? Can he put it back in?

MR. ELSTON: Yes, he can. He can re-duplicate. In fact, there's two different modes in which he can do -- he has an automatic -- this is an automatic inspection mode. He can then turn the dial and go to a manual mode. A manual mode is essentially a diagnostic mode.

This equipment is also used, very importantly so, to tune up the vehicle. Now, he's in there under the hood and he's looking at the numbers to see that they're coming down, in fact, so he can go to a manual mode, tune up the vehicle as a diagnostic basis, and then go back to an inspection mode and repeat the inspection mode on reinspection a number of times.

ASSEMBLYMAN MILLER: I see -- to put the record in. But if that record is in, and he realizes that he would like to do it over again, does he have to go back through the whole process to start from number one line and work his way all the way down through this thing, or can he take and scratch out this line, so to speak, and override it with the correct--

MR. ELSTON: Only-- On the retest, he can go directly to the preliminary test. Now, there's been some problems -- been some complaints that he has to -- every test, he will have to do this. This was put in the re-entering aspect, because,

in some cases, after the diagnosis of the car, he wanted to call the motorist at home to say, "This is going to cost you an 'x' sum of money," and he didn't want to start the repair. We felt, when we designed the software for this, that this is a very important aspect. And so, another car may be coming in to take this car's slot, and we did not retain it because he can not now store that somewhere and then pull it back. The equipment does not have a large storage capacity; it's not like a major computer.

So, we dumped the data, and so there has been some problems with now going back and putting the information back in.

ASSEMBLYMAN MILLER: I see. Because I can see where you have your tape started, and then you have a problem -- the State picks it up and runs it through the computer, and it's not a complete analysis -- somebody wants to come back in and start over. So, you have a dump process -- you reject that whole entry and start over.

MR. ELSTON: That's right. It's-- When you see this from the perception of the service mechanic, there is an infinite number of variations that can take place which the customer, who is not on location, may have a part of. It's very difficult to plan the -- just how he is going to do this. We've tried to do the best we could, in the situation.

ASSEMBLYMAN MILLER: I can see, Pat, where a machine that costs \$10,000, how many inspections you have to run to pay the machine off, at the same time, pay your labor, which is more costly because of the time that goes into entering this thing -- \$7500 to \$10,000 per machine sounds like a lot of money to me. The boys are going to have to do a lot of work to make up the cost of this, I can see that. That's--

ASSEMBLYMAN SCHUBER: We're about to hear--

ASSEMBLYMAN MILLER: We're going to get comments, I'm sure, about, "We're not being paid enough on the operation of this thing." I can see that coming.

MR. ELSTON: I do want to-- This is a diagnostic machine as well. It helps him to do the work that he is trained to do as well, besides. It just doesn't help the State. It does help him in repair.

ASSEMBLYMAN SCHUBER: Okay. Thank you, Mr. Elston. I appreciate your testimony. And we appreciate-- I'm sorry. Mr. Bocchini?

ASSEMBLYMAN BOCCHINI: I don't know if Mr. Elston can answer this, but-- The machinery costs \$10,000, correct? And--

MR. ELSTON: Seventy-five to eighty-five.

ASSEMBLYMAN BOCCHINI: I can get you a deal. The question-- How many distributors or approved manufacturers -- is it one manufacturer, or--

MR. ELSTON: Five manufacturers.

ASSEMBLYMAN BOCCHINI: And as far as cost containment in the future, for the private sector, the--

ASSEMBLYMAN MARTIN: There was testimony earlier, Joe--

ASSEMBLYMAN SCHUBER: The testimony this morning was that as the sophistication of the technology improves, as it has from the beginning, I think the original price was 10, it's gone down 75-80 That's still expensive, but I assume that what you're saying is that the price should be going down, too.

MR. ELSTON: This is a same, vintage year model. This is the same one you'll see in Massachusetts, probably a similar one in Pennsylvania. They came out -- the five manufacturers looked at the market, they saw a potential market of between 4-6,000. They made estimations, they made cuts and so forth, and they priced and then competitively -- so to speak -- in the marketplace found the level. And it was thought to be about \$10,000. It moved to about \$75-8500. A year from now, another vintage -- software improvements, other things -- improvements that, in the marketplace, will probably make it even lower, in time.

ASSEMBLYMAN MILLER: These tapes that come around once a month in pickup-- Who pays for the -- is that the State obligation to put the tapes in?

MR. ELSTON: The State's obligation-- We pay for the tapes, yes. They're our property.

ASSEMBLYMAN SCHUBER: Any further questions? Mr. Elston, thank you very much. And we appreciate the demonstration also.

At this time, I would like to know if -- I see him here-- We have Jerry Ferrara, who represents the New Jersey Gasoline Retailers Association, and his membership -- some of the membership -- of his organization is here also. I would say, for the record, that Mr. Charles Walton, who is President of the New Jersey Automobile Dealers Association, had to leave. He had spoken to me prior to the meeting beginning this morning, and indicated that the Automobile Dealers Association was in support of the dual inspection system.

Now, Mr. Ferrara represents the New Jersey Gasoline Retailers Association, who are actually the service stations that are the private part of our dual system. Mr. Ferrara, without any further ado, why don't you make your statement to the Committee?

J E R R Y F E R R A R A: Well, with that introduction, I'd like to introduce, for comments later on, State President Bill Dressler from Middletown and our Past State President Anthony Monaco from Milltown, New Jersey, who, in traveling this State, probably can tell you any problems that may or may not, or isn't.

After listening to the Attorney General, I probably could come up here and say I'm in complete accord and make it easy on you, but I've never been known to do that -- because he happened to make the points pretty well as to what we want. I'd like to go back with you, so that you understand. In the beginning, it was intimated or discussed by the Attorney

General, we were not in favor of the initial inspection, particularly when the cost of \$10,000 and \$120 a month maintenance fee was given to us.

We happen to like the safety inspection. It might be interesting to note that some years ago, we made a survey in 100 stations in New Jersey, as to what the motoring public thought about inspection -- and that was in the Byrne Administration -- and how much they would pay for it. And 82% were in favor of the safety part of the inspection -- the whole inspection; 62% were in favor of paying an increased fee and that's when the fee went up, I believe, a dollar and a half. We believe the public still accepts the program. Our only problem that existed, up to now, is the confusion as to whether we have a program, we didn't have a program; we're going to buy machines, we didn't buy machines.

The machines, by competition, did come down. We are going to face a problem now that the renewal of contracts for services, the first one that come out is asking \$1,000 a year. And that's going to be a built-in expense -- it's almost getting back that \$120 a month that was initially fostered. Other states are paying \$130 a month or ongoing for maintaining it.

We are making a survey, now that the machines have been on the road for a year, to discern if we've had any major problems both in failures, service ability, and with that, Elston knows that we will be on the phone and on his proverbial back to do something if we find anything consistent by any particular company.

If we are to do the inspection, based on a five-year amortization, and we do have to pay \$1,000 built in there, we'd have to do 25 inspections a month just to break even. That is not including our labor costs -- that's just the amortization of the machine, and the service. We are willing to do that not because it's a money-making proposition for us -- initially, as

I said, we were happy to just do the reinspections, you reject them, we'll get the repairs, and they can go back to you or we can put the sticker on. We have found that our customers like it. The reason that the number of rejections are lower was well-put. Most of our people -- a great percentage of the people who are coming to us initially, now, in reality it doesn't cost them anything for the inspection because historically, they come in, ask us to get a car ready for inspection, the charge could have been anywhere from \$12-15, we went over the whole routine -- we check the lights, the breaks, and so forth. And then they went to the inspection station. So, those people who are availing themselves of our facilities now are, in reality, not paying anything for it.

On the other hand, for those people who want to save the time, we're not only benefitting the people who are in the upper economical strata, who could afford or who like it, but in essence, those who can't afford it are benefitting by the people paying because the number of people coming to us lessens the lines for those, number one, who can't afford it, who don't trust us, who don't desire to have it done by us -- at least, they're saving by those other citizens who are willing to pay the money for it.

Another instance I would like the Committee to remember -- because you're all legislators -- I noticed they said we didn't have to do what we call the litmus test, in the tail pipe -- that piece of paper. Now, I'm going to take advantage of you now to remind you the reason they don't have to do that. There is no mis-fueling in New Jersey; we don't have self-service in New Jersey, and people are not able to (next few words inaudible due to laughter and applause from audience). I will never miss that opportunity.

ASSEMBLYMAN BOCCHINI: And if you have anything to say about it, we won't. (laughter)

MR. FERRARA: The only criticism I ever had, if any, is in a credit to the Department. There was some confusion, in the beginning, but we did have a lot of give and take. When there was misunderstandings, we were able to reach the Department -- Don Giberson's been very helpful -- to clear up things that we didn't get cleared up. If I am critical at all, occasionally I thought some of the penalties might have been a little stiff. The hearing officers might have been a little stricter than I thought they should be, but in the belief that enforcement will keep the program from being blackened, we're in favor of it. I have no desire -- and neither do people of our organization want -- a one-deal accord, and the reporters flare at all the back pages about the chiseler, or the guy that got caught, and we all get blackened.

In the audience are some members of our Executive Board that come from various counties in the State. I think that if anybody wanted to ask any further questions of them, you would find what their feelings are.

I've got to go after Cary Edwards, that I must have put the Italian hex on him, because he used the same words that I had down here. Number one, it's the best of both worlds. The consumer has an option to come to us, or to go to the full inspection. And for the record, our Executive Board, who are based on a one-man, one-vote, one for every 50 members -- and we have approximately 60 that come, 45 show up every month -- has never voiced a desire to want to do the inspections completely. That was the reason we didn't want to do an issue inspection. The question that you got ripped off, you can go to Pennsylvania -- "I paid a guy under the table" -- the option you got now keeps us clean, our reputations clean. And there's some TV reporter out there, said, "What would happen if the inspection was done away?" I said that we were like the undertakers, we'll get the business sooner or later. So, we'll get the repair business in any case.

We think the system is functioning. We would urge the Committee and the Legislature to make this thing permanent. We've had two years of confusion. The others that want to buy the machines -- we're not going to get rich on this program, but it's there. The public is slowly becoming aware of it. There hasn't been no real PR, and listening to the Director, perhaps, if the program becomes more permanent, that they know that they can feature it more. Even our people, in some respects, have not gone out to promote it. I tell them it's a place of doing business, and they've got it for the convenience, who wants to come in.

With that conclusion of my testimony, I'd like to turn it over to Anthony Monaco -- his mother wants me to call him Anthony, we call him Tony -- to give you a little of his experience, as how the programs work, particularly since the State has saw fit to send their staff there occasionally to observe his operation -- Anthony Monaco.

A N T H O N Y M O N A C O: Thank you.

ASSEMBLYMAN SCHUBER: Mr. Monaco, welcome.

MR. MONACO: Mr. Chairman.

At first, I was not in favor of the program at all. I didn't want the initial inspection, I been in this program since it started with the reinspection program. I was afraid that what was gonna happen was, the customer would have come in and said, "You're a neighborhood station; come on, put a sticker on my car and let's not worry about it." This hasn't happened since we had the machines, because the machines are good, the machines do a good job, the people know that they have to go through their machine to get an inspection, and it's working out very well.

I think the State inspectors have done a good job in showing us what to do, but I also think Jerry Ferrara and the organization has done an excellent job in going around the State with your people, teaching us how to operate the machines, how to pass cars, and do things like this.

I'm in favor of the inspection program. I think it's a good program. I think it should be continued. If there's any questions I can help you with, I would be only too glad to answer them.

MR. FERRARA: If I may, Tony. Will you show them the sheets? Give them a sample of how the record-keeping is kept for the station -- very quickly, to give you an idea of what the sheet is. The station has to fill out one of these sheets -- you can explain it to them if you want. (Mr. Monaco hands documents to Chairman Schuber) Or, you can just reiterate here what's on the sheet.

ASSEMBLYMAN SCHUBER: Thank you. Now, these sheets represent, sir, your station?

MR. MONACO: That's my station, yes.

MR. FERRARA: That's required by the State. We have to maintain that sheet; the inspector checks it and can pick up the copies (inaudible).

MR. MONACO: Also, in a private garage such as mine, we do pull all wheels off every vehicle that comes in to make a brake check. That's not required at the State inspection stations because they cannot do it. But in our station, it's not required either, but we do it because we have no means of having a Board to run over to see if the brakes are holding on all four wheels, if there's a leak or anything like this. So, we pull all wheels at our service station and it's been a very good thing for the customer, it's been a good thing for us.

MR. FERRARA: Prez?

B I L L D R E S S L E R: Well, basically, my experiences have been exactly the same as Tony's and the other members of the Board and the service station operators throughout the State who are in this program. I've been in this program since its initiation. As a matter of fact, I'm relatively proud of the fact that mine is a double-digit number as far as my license is concerned.

My customers are probably as sophisticated as anybody's in this State, and they find that, on the conveniences that they enjoy, by having this program available to them, is something that they could appreciate. They could appreciate the fact that if they're near an inspection station, or if they have an occasion to go to an inspection station, that's available to them. If they're in a position where they can't afford to get to the inspection station or can't make time to get to an inspection station at the time their vehicle is due for inspection, they have the ability to come to me or to another neighboring service station who provides this service.

All of the experiences that we have experienced -- all of the situations that we have experienced -- since we've been in the program have been favorable. The inspectors for the State have been as helpful in giving us information as they possibly can be. We get notifications from the State on a regular basis as to what changes are being made in the program, what the situations will be in the future, and that's all very helpful information. And that's helped make this program work.

As Mr. Ferrara said -- he's our guru. We look to him for guidance on many occasions, and the simple fact that the litmus paper test is not necessary in this State is something that I would like to jump on the bandwagon with Jerry and say, "Let's keep it that way." Thank you very much.

ASSEMBLYMAN SCHUBER: The-- Your organization, Jerry, represents all of the--

MR. FERRARA: We represent approximately 3000 service stations of the 4100 in this State -- all brands.

ASSEMBLYMAN SCHUBER: Okay. I was going to ask you the numbers -- how many service stations do we have in the State -- about 4100?

MR. FERRARA: Forty-one hundred.

ASSEMBLYMAN SCHUBER: Out of which 3200 are certified stations, okay. And you represent 33,000, which I assume means you represent a good portion of those who are certified inspection stations, then.

MR. FERRARA: Yes. Initially, going way back to the inspection, we even amazed Washington when they were putting in the emissions test, that we could turn out larger number of peoples-- I remember Pete Williams, the Senator from New Jersey, was able to get extra funds for New Jersey at that time because our program in training our people -- we do do that. When the machines -- we have invited all the manufacturers to demonstrate the machines -- occasionally, during the year, we do have various clinics on emissions, to keep updated as to what's going on.

ASSEMBLYMAN SCHUBER: I would have to agree with some of your statements that you've made in talking with my own service station and those that are in the neighborhood of my office and some of the service stations that are in our district. It would appear that in the initial stages, I would have to agree that almost to a person, they all opposed the dual system. But now, you could almost gradually notice the change, the perception of it, as the system started to begin and continued, now to the extent that all of those same individuals that you talked to appeared to be in support of the program at the present time.

I've talked to a number of motorists-- You know, out of curiosity, with regard to the system, I've talked to a number of motorists who used both systems, the public and the private, and I, like Joe, happen to use both -- sometimes I'll send it to the one and sometimes to the other. But it would appear to be working successfully, and motorists, to the main part that I've talked to that have used the private system, seem to be pleased -- but that's my own perception for my own kind of informal survey. My car has passed all the time, too -- I don't know. (laughter)

ASSEMBLYMAN BOCCHINI: I wish I could say the same.

MR. FERRARA: I might point out that I don't send my car to the private inspection so that somebody can't pick up the name Ferrara and think that somebody made a deal for my car or my wife's.

ASSEMBLYMAN SCHUBER: I appreciate that.

MR. FERRARA: So, I go through the State inspection system.

MR. DRESSLER: Mr. Chairman?

ASSEMBLYMAN SCHUBER: I'm certain-- Yeah?

MR. DRESSLER: There's one thing I'd like to make known -- is the simple fact that there's an awful lot of people still out there who aren't aware of the fact that there is a dual inspection program available in the State of New Jersey.

ASSEMBLYMAN SCHUBER: I appreciate that.

MR. DRESSLER: I think the publication of that would be very helpful with respect to the future.

ASSEMBLYMAN SCHUBER: I think that's a problem that we recognize. I think that's a problem the Director and the Attorney General recognized also, and their concern, I guess, was in stabilizing the program and making it more permanent to the extent that they could therefore go out and make a greater effort to advertise the fact that there is a dual system. I agree, there are many people do know about it, but there is a great deal of folks who don't. And hopefully, if in fact it's the recommendation and the will of the Legislature that this becomes permanent, that will be the case.

Assemblyman Martin?

ASSEMBLYMAN MARTIN: A couple of questions related to, I guess, the same topic -- Of the 3000 stations that you represent now, approximately how many of those are certified as inspection stations?

MR. FERRARA: Oh, I would say close to 60% of them. Some of the smaller stations are having difficulty. Better than 60% of them are certified.

I have no accurate count on that. You know, I almost forgot there was a program, it's been working so smoothly -- the phone hasn't been ringing, and I've never made a complete count on that. I think that, among the service stations, service stations and the car dealers make up the bulk, and there are roughly between 800-1000 car dealers in New Jersey. Take that away and we've got the rest.

ASSEMBLYMAN MARTIN: And would you anticipate that with this becoming permanent, most of the other ones will apply, at some point in time, for certification?

MR. FERRARA: Well, as they need updated equipment-- The difficulty we had-- We had emission machines we felt were doing the job. We actually bought these new machines -- they're a little more sophisticated, but we bought them because of the tape, and that was our initial objection. As-- If the program becomes permanent, the smaller stations who conceivably can't write it off just for the inspections, but need the equipment for emissions will be buying it. You couldn't ask the little guy that's doing a few inspections, and hasn't got the wherewithal to invest on a guess -- I would anticipate that the program becomes more permanent, a good percentage of those gradually will be buying the machines.

ASSEMBLYMAN MARTIN: I don't know whether you can answer this question, but how many people -- if you know -- when they do schedule their annual inspection, also combine that with other services such as a tune-up, or whatever else needs to be done?

MR. FERRARA: Well, the rumbling here says many. That's about the best answer--

MR. MONACO: A customer-- Excuse me. A customer will come in to the station and say, "I'm due for inspection. Would you tune my car up -- do an oil change, a grease job, check the brakes and everything, and if anything has to be repaired, go

ahead and do it." So we do this before we do the inspection, and that's why the rejections in the service stations is a lot less than at the State inspection stations.

ASSEMBLYMAN MARTIN: But that's very common, then--

MR. MONACO: Yes, very common.

ASSEMBLYMAN MARTIN: --that they parlay several different--

MR. MONACO: Right.

ASSEMBLYMAN MARTIN: --activities at one time.

MR. MONACO: It's very-- It's easy to do, and we can take care of it.

ASSEMBLYMAN BOCCHINI: It's their annual physical.

ASSEMBLYMAN SCHUBER: Yeah, exactly. My personal experience has been, when I know my car is due for inspection, I'll take it right in, because it's like a warning alarm for me, to take it in and tell the fellow that does my work to -- you know, it's coming in, and please to bring it up to -- if it has to be, to bring it up and do the tune-up and all, that I tend to neglect. And I think that many people do the same also, from what I can see.

But that's right. It's like an annual physical, basically.

ASSEMBLYMAN MILLER: If I may--

ASSEMBLYMAN SCHUBER: Yes.

ASSEMBLYMAN MILLER: --digress for just a moment, Jerry?

ASSEMBLYMAN SCHUBER: Assemblyman Miller.

ASSEMBLYMAN MILLER: These wholesaler-owned gasoline stations -- they aren't a part of your organization, are they?

MR. FERRARA: No. Those that are run directly by the company, no.

ASSEMBLYMAN MILLER: How many of those do we have in the State? Offhand, do you have just a figure off the top of your head?

MR. FERRARA: Oh, it's growing. It's growing, but we've got, I guess, about 200 of them now. They're building-- The problem we're going to have here is, what's happening is they're building gas-only stations, which will be participating in that. And those things, later on, they would love to operate them -- if we have self-serve, they'll operate them. They are not featuring repairs. They sold machines as part of their thing, or in buying the machines, sometimes, from the company was even cheaper than trying to buy it direct. But their feature is going to be minimal to what we call the auto care or the car care, whatever it's going to be.

ASSEMBLYMAN MILLER: Yeah, they're selling groceries now instead of taking care of this kind of stuff.

ASSEMBLYMAN SCHUBER: Well, that's basically what's happening.

MR. FERRARA: Unfortunately, as I told one proponent of self-serve -- a member of the Legislature; she changed her mind since then -- she told us about-- I can't resist this. On 7-Eleven stores, you can buy milk at any hour, and I suggested, perhaps, in the morning, when her car didn't start, she should call 7-Eleven to get it started, so she can go buy a quart of milk or go to work to get the money to pay for it.

ASSEMBLYMAN SCHUBER: You know, you just-- This is a digression now, and this was not meant to be a statement on self-service, but I just happened to be in Virginia about three weeks ago, which is a big self-service State. And I was having a bit of a problem with my car -- maybe it's because I didn't have it in for its annual physical. But the fact of the matter was that I went from place to place trying to get somebody to look at the car. They were all self-service stations; as you say, I could have bought a quart of milk or a candy bar, but I couldn't get anybody to come out of the place to look at the car. It took quite a long time to find somebody. But obviously, that's something for another committee-- But we do recognize that there's a problem there.

ASSEMBLYMAN MILLER: I just want to point out, Jerry, that I have not ingratiated myself with the Exxons and the rest of them, but I have a bill in that says if you're wholesale, you can't be a retailer also, and I would like to see that go into effect.

MR. FERRARA: I'm well aware of it. I have a copy of it from last year-- (applause from audience) The rest of them are aware of it, that it's in this year again. Thank you.

ASSEMBLYMAN SCHUBER: Assemblyman Bocchini?

ASSEMBLYMAN BOCCHINI: No, I don't have any questions.

ASSEMBLYMAN SCHUBER: Oh, I'm sorry.

Mr. Ferrara, thank you very much -- Mr. President, thank you very much, Mr. Monaco. I appreciate it very much. Is there any other testimony you wish to add to this?

MR. FERRARA: No. I hope by the end of this day you all make up your mind to push that bill and let's get it over with.

ASSEMBLYMAN SCHUBER: Okay. And I assume everybody else I see out here is a part of your organization, is that correct?

MR. FERRARA: They're all Executive Board members. If anybody of any county wants to look for their county, we've got it back here; just ask.

ASSEMBLYMAN BOCCHINI: I see mine.

MR. FERRARA: You saw yours.

ASSEMBLYMAN SCHUBER: Thank you. We appreciate it.

MR. FERRARA: Thank you for the courtesy.

ASSEMBLYMAN SCHUBER: The last person I had here was Mr. Healey from Holt & Ross, who represents Allen Test Products, but he has given us a statement in support of a dual system. Is there anything you want to add to that, Mr. Healey?

W I L L I A M R. H E A L E Y: (speaks from audience) No. I'd certainly like to concur with others who have spoken this morning -- Mr. Ferrara, the Attorney General--

ASSEMBLYMAN SCHUBER: I'm sorry, Mr. Healey. You'd better come up -- they can't pick it up on the--

MR. HEALEY: (sits at microphone) Thank you, Assemblyman Schuber. I just will make a very brief statement in support of the system being made permanent, and I would like to concur with the others who have spoken this morning.

I do represent Allen Test Products; they are the largest distributor of the machines here in the State. The machine you see here this morning is the one that's used in the State's own inspections lanes. We think that it's been a very successful program. As the leader in sales here in New Jersey -- probably about 16-1700 of our machines are being used throughout New Jersey right now -- we look forward to working with you as the legislators, the Division of Motor Vehicles, and our customers, many of whom are here this morning, to help make this system realize its goals in the future. And we would concur with your legislation and with the program being made permanent.

Thanks very much. I realize the hour is late.

ASSEMBLYMAN SCHUBER: We appreciate that, Mr. Healey. Thank you very much.

ASSEMBLYMAN FOY: Mr. Chairman?

ASSEMBLYMAN SCHUBER: Yes, Mr. Foy?

ASSEMBLYMAN FOY: At this time I would move that the Committee recommend to the appropriate reference committee that A-2218 be passed, and I don't know about-- I can't speak for the other members of the Committee, but I would like to be a co-sponsor--

ASSEMBLYMAN SCHUBER: Yeah. Let me ask you this. Would every member of the Committee want to -- would like to be a co-sponsor of the legislation? Why don't we automatically do that, then?

ASSEMBLYMAN FOY: Make us all cosponsors, and then give a unanimous recommendation to the reference committee.

ASSEMBLYMAN BOCCHINI: What committee is it in?

ASSEMBLYMAN SCHUBER: Law and Public Safety.

ASSEMBLYMAN BOCCHINI: I'd like to second that, and I think it's clear-cut. I think we ought to move it one-two-three and put it to bed. The last couple years, it was tough on the station owners and so forth, but sometimes we don't like change just because it's the sake of change. But I think this is one of those instances where in the long run, it's turned out to be for the benefit of the consumer, the public, the station owner and--

ASSEMBLYMAN FOY: Allen Products.

ASSEMBLYMAN BOCCHINI: Very much Allen Products.  
(laughter)

ASSEMBLYMAN SCHUBER: There's a motion and a second.

ASSEMBLYMAN MARTIN: I agree completely. It's nice when you have a situation with the State where people agree that the program seems to be working. My only concern is that--

ASSEMBLYMAN BOCCHINI: I hope agencies can go like this.

ASSEMBLYMAN MARTIN: My only concern at this stage, which -- I talked to our staff aide -- I'd want to reassure the public that by this program, we are not, at least at this point in time -- despite my colleague -- that we would not be subverting the alternative public system to the extent that that might require legislation just to assure the status quo of the current public stations, or perhaps administratively. I will take it upon myself to look into that. But I think that message has to be said well and clear. I would like to see the private sector actually increase, based upon the statements that I've heard here. But I think the public needs to know that there will be at least one county facility which they can rely upon to utilize for a -- if they choose to go the public sector route.

ASSEMBLYMAN MILLER: Pat, if I may-- Is there

anything that should be included in this bill, directing the DMV to include some sort of notification with the renewal of registration fees, that there is this program that does exist -- or some posting or handing out some flyers, or some such thing? Is there anything in there that--

ASSEMBLYMAN SCHUBER: I believe-- I understand-- The Attorney General indicated they were going to be doing that, my understanding was when he testified here this morning. I know it's part of his statement.

ASSEMBLYMAN MILLER: Yeah, I heard that too, but--

ASSEMBLYMAN SCHUBER: I mean, if you want to make it part of this, you can add it -- you can just send the message along to the appropriate reference committee, to that extent.

ASSEMBLYMAN MILLER: I think it should be added, because as I say, here's our chance -- let the public know, let the public use it. We cut down on our use on the public end of it, and save bucks.

ASSEMBLYMAN SCHUBER: According to this statement, they've inserted the notice announcing that all the new programs in all the registration renewals -- these notices were mailed in November -- November of '84, and I guess you can make a recommendation to go along with the bill, that they consider it again for the--

ASSEMBLYMAN MILLER: Notification in what? In their mailings?

ASSEMBLYMAN SCHUBER: In their mailings for registration.

ASSEMBLYMAN MILLER: Yes, I think it should be done.

ASSEMBLYMAN SCHUBER: Okay. Tom, you have no problem with making that a part of the recommendation? Okay, there's a motion and a second to recommend A-2218 to the proper standing committee, which I believe is the Assembly Law and Public Safety Committee, and ask them to take it up as soon as

possible, with the direction from Assemblyman Miller that the Division look into re-mailing on the registrations to continue to notify the folks of the dual system.

Any further discussion?

ASSEMBLYMAN SHUSTED: Mr. Chairman, all I can say is, as Chairman of Law and Public Safety, we look forward to receiving this bill and I can assure you that we will act promptly on it. (applause)

ASSEMBLYMAN SCHUBER: Aggie will call the roll.

MS. SZILAGYI: Mr. Bocchini?

ASSEMBLYMAN BOCCHINI: Yes.

MS. SZILAGYI: Mr. Foy?

ASSEMBLYMAN FOY: Yes.

MS. SZILAGYI: Mr. Shusted?

ASSEMBLYMAN SHUSTED: Yes.

MS. SZILAGYI: Mr. Schuber?

ASSEMBLYMAN SCHUBER: Yes.

MS. SZILAGYI: Mr. Martin?

ASSEMBLYMAN MARTIN: Yes.

MS. SZILAGYI: Mr. Miller?

ASSEMBLYMAN MILLER: Yes.

ASSEMBLYMAN SCHUBER: Thank you very much, members of the Committee.

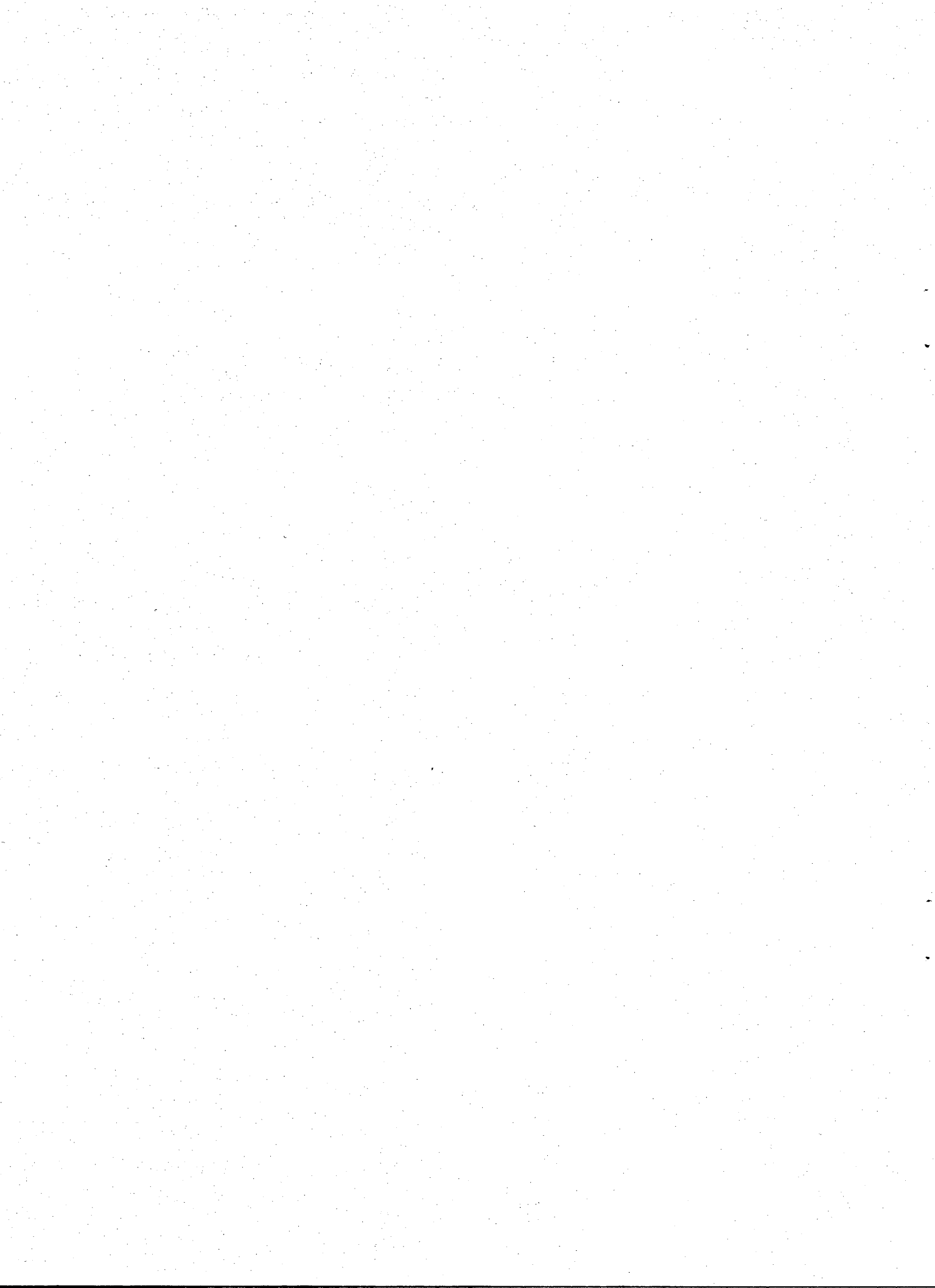
I would just state that, for the purpose of the record, that, as the Attorney General has indicated, New Jersey has embarked, over the last couple of years, on a unique system of the dual inspection system. There's no question, from the testimony that we've heard today, and from discussions we've had with experts in the field over the course of the last month, that the system has been, by and large, successful, but it has been plagued by the fact that it is only temporary. And I think that the only way we can put all of those problems to bed and to give the system its rightful chance to continue to

be successful for the State, and ease the concern and the problems for the motorist, are to make the system permanent, pursuant to A-2218, and it's been recommended to the appropriate Standing Committee, which will take it up, considering Assemblyman Shusted is part of this Committee.

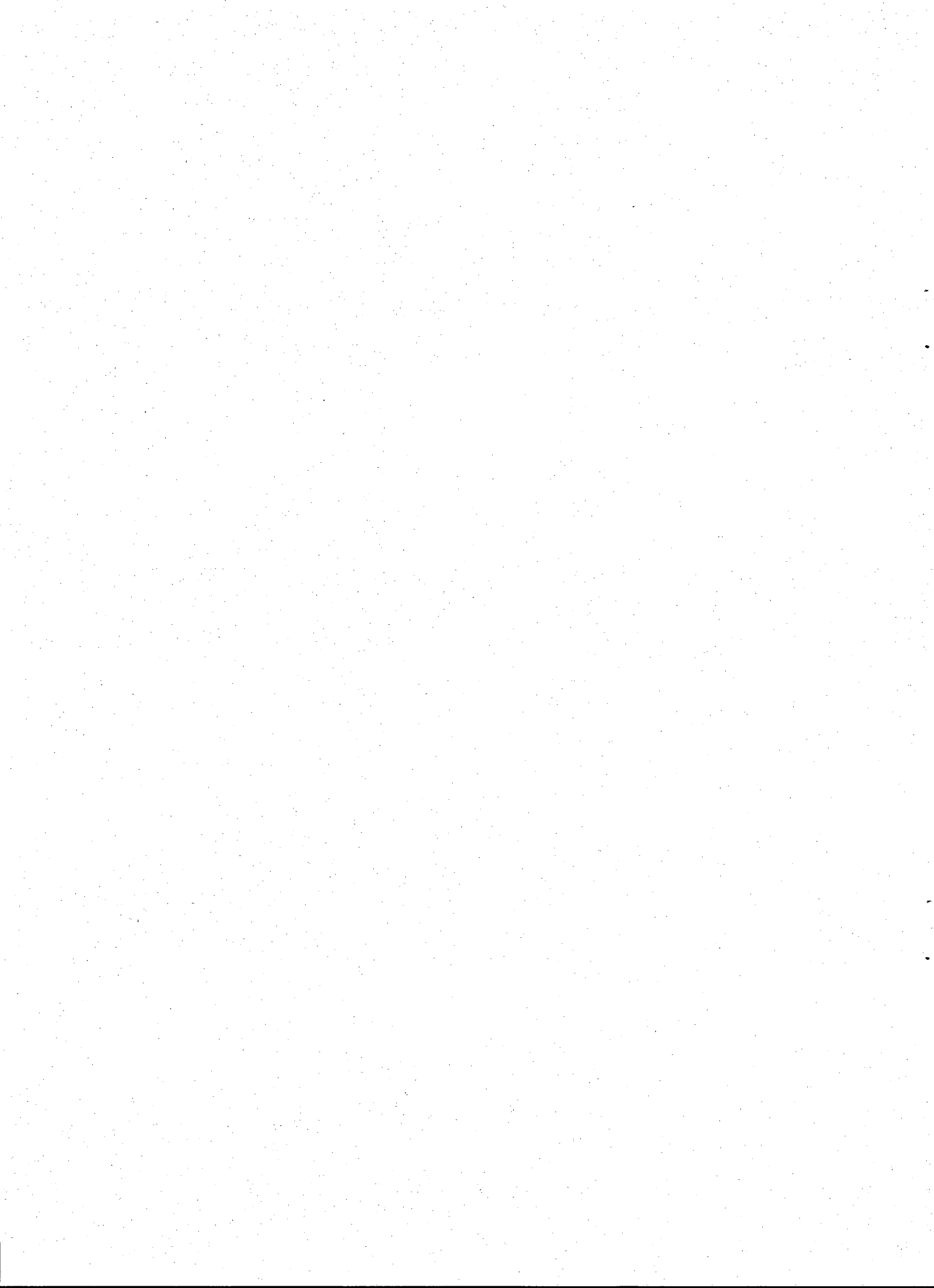
I thank everyone who came here today. We appreciate all of your testimony. This Committee will now move its direction into the Agency system itself, and in place of the next hearing, we'll go right into that.

Thank you all. The meeting stands adjourned.

(HEARING CONCLUDED)



**APPENDIX**



## CHANGES IN INSPECTION

<u>YEAR</u>	<u>HANDLINGS</u> <u>STATE</u>	<u>HANDLINGS</u> <u>PRIVATE</u>	<u>HANDLINGS</u> <u>TOTAL</u>	<u>Waiting</u> <u>Times</u>	<u>Private as</u> <u>% of Total</u>
1970	5,653,674	0	5,653,674	16 min.	0
1971	5,411,179	0	5,411,179	7 min.	0
1972	5,182,051	0	5,182,051	6 min.	0
1973	5,404,564	0	5,404,564	10 min.	0
1974	5,629,283	0	5,629,283	16 min.	0
1975	5,523,671	168,801	5,692,472	13 min.	3.0%
1976	4,834,021	794,000	5,628,021	12 min.	14.1%
1977	4,686,820	775,256	5,462,076	8 min.	14.1%
1978	4,752,910	817,502	5,570,412	8 min.	14.7%
1979	4,687,176	770,654	5,457,830	6 min.	14.1%
1980	4,775,149	813,050	5,588,199	7 min.	14.5%
1981	4,891,642	873,853	5,765,495	9 min.	15.2%
1982	4,301,104	835,949	5,137,053	14 min.	16.3%
1983	3,914,362	879,872	4,794,234	10 min.	18.4%
1984	4,570,743	952,222	5,522,965	13 min.	16.7%
1985	4,617,710	988,764	5,606,474	9 min.	17.6%

**TOTAL HANDLINGS**  
(By Month 1983-1985)

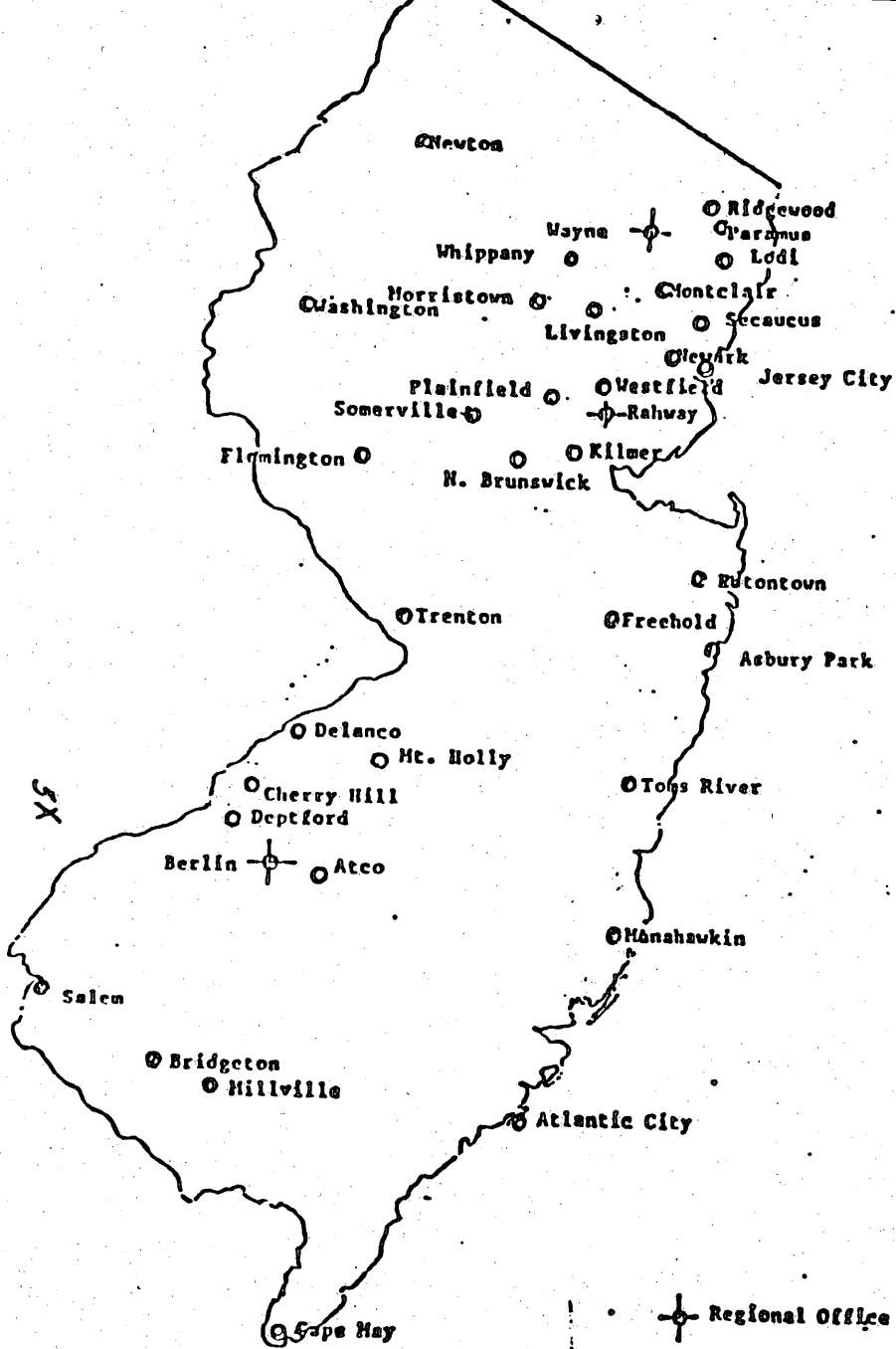
<u>1983</u>	<u>STATE</u>	<u>PIC</u>	<u>TOTAL</u>	<u>PIC as % of TOTAL</u>
Jan.	235,371	84,537	319,908	26.4%
Feb.	222,941	131,372	354,313	37.1%
March	262,987	43,840	306,827	14.3%
April	270,483	36,301	306,784	11.8%
May	302,923	40,495	343,418	11.8%
June	339,863	30,085	369,948	8.1%
July	393,922	97,092	491,014	19.8%
Aug.	434,437	86,005	520,442	16.5%
Sept.	388,193	64,008	452,201	14.2%
Oct.	394,634	90,264	484,898	18.6%
Nov.	342,785	97,527	440,312	22.1%
Dec.	<u>325,823</u>	<u>78,346</u>	<u>404,169</u>	<u>19.3%</u>
<b>Total</b>	<b>3,914,362</b>	<b>879,872</b>	<b>4,794,234</b>	<b>18.4%</b>
<u>1984</u>				
Jan.	295,535	61,985	357,520	17.3%
Feb.	348,054	59,363	407,417	14.5%
March	350,178	54,182	404,360	13.3%
April	396,418	75,331	471,749	15.9%
May	424,074	85,976	510,050	16.8%
June	420,318	71,801	492,119	14.5%
July	416,548	85,098	501,646	16.9%
Aug.	426,182	86,846	513,028	16.9%
Sept.	389,067	90,986	480,053	18.9%
Oct.	420,945	91,973	512,918	17.9%
Nov.	346,920	99,836	446,756	22.3%
Dec.	<u>336,504</u>	<u>88,845</u>	<u>425,349</u>	<u>20.8%</u>
<b>Total</b>	<b>4,570,743</b>	<b>952,222</b>	<b>5,522,965</b>	<b>17.2%</b>
<u>1985</u>				
Jan.	329,641	81,250	410,891	19.7%
Feb.	340,862	75,233	416,095	18.0%
March	402,939	83,302	486,241	17.1%
April	398,177	85,450	483,627	17.6%
May	443,182	52,597	495,779	10.6%
June	417,662	67,106	484,768	13.8%
July	436,489	90,930	527,419	17.2%
Aug.	414,330	96,482	510,812	18.8%
Sept.	360,497	95,627	456,124	20.9%
Oct.	406,051	84,436	490,487	17.2%
Nov.	345,077	93,783	438,860	21.3%
Dec.	<u>321,803</u>	<u>82,568</u>	<u>404,371</u>	<u>20.4%</u>
<b>Total</b>	<b>4,616,710</b>	<b>988,764</b>	<b>5,605,474</b>	<b>17.6%</b>

INITIAL HANDLINGS (STATE AND PRIVATE)  
(BY MONTH 1983-1985)

<u>1983</u>	<u>STATE</u>	<u>PIC</u>	<u>TOTAL</u>	<u>PIC as % of Total</u>
Jan.	175,668	0	175,668	0
Feb.	171,025	0	171,025	0
March	197,002	0	197,002	0
April	209,862	0	209,862	0
May	234,090	0	234,090	0
June	263,178	0	263,178	0
July	310,731	0	310,731	0
Aug.	339,435	0	339,435	0
Sept.	304,280	0	304,280	0
October	308,039	0	308,039	0
Nov.	266,624	29,106	295,730	9.8%
Dec.	<u>250,504</u>	<u>21,533</u>	<u>272,037</u>	<u>7.9%</u>
Total	3,030,438	50,639	3,081,077	1.4%
<u>1984</u>				
Jan.	228,070	21,626	249,696	8.6%
Feb.	271,841	22,163	294,004	7.5%
March	268,210	18,409	286,619	6.4%
April	- 307,180	30,466	337,646	9.0%
May	326,143	33,512	359,655	9.3%
June	324,082	27,769	351,851	7.8%
July	320,288	33,436	353,724	9.4%
Aug.	326,558	33,241	359,799	9.2%
Sept.	301,287	35,081	336,368	10.4%
Oct.	322,655	37,175	359,830	10.3%
Nov.	268,258	42,328	310,586	13.6%
Dec.	<u>258,126</u>	<u>39,567</u>	<u>297,693</u>	<u>13.2%</u>
Total	3,522,698	374,773	3,897,471	9.7%
<u>1985</u>				
Jan.	255,843	35,379	291,222	12.1%
Feb.	269,072	35,144	304,216	11.5%
March	308,097	39,277	347,374	11.3%
April	308,877	40,475	349,352	11.5%
May	334,362	23,956	358,318	6.6%
June	316,196	28,530	344,726	8.3%
July	328,939	37,999	366,938	10.4%
Aug.	305,848	38,135	343,983	11.0%
Sept.	271,523	36,361	307,884	11.8%
Oct.	305,613	36,189	341,802	10.5%
Nov.	261,790	40,993	302,783	13.5%
Dec.	<u>243,843</u>	<u>37,872</u>	<u>281,715</u>	<u>10.9%</u>
Total	3,510,003	430,310	3,940,313	10.9%

STATUS OF PRIVATE PARTICIPATION  
As of 3/5/86

<u>County</u>	<u>Current #</u>	<u>Old #</u>	<u>Current As % of Old</u>
Atlantic	85	105	80.9
Begern	451	546	82.6
Burlington	189	196	96.4
Camden	202	196	103.0
Cape May	42	56	75.0
Cumberland	37	64	57.8
Essex	244	312	78.2
Gloucester	88	105	83.8
Hudson	149	190	78.4
Hunterdon	41	60	68.3
Mercer	162	169	95.8
Middlesex	261	337	77.4
Monmouth	214	291	73.5
Morris	225	280	80.3
Ocean	125	164	76.2
Passaic	183	319	57.3
Salem	35	44	79.5
Somerset	94	133	70.6
Sussex	49	59	83.0
Union	272	329	82.6
Warren	53	72	73.6
<b>TOTAL:</b>	<b>3,201</b>	<b>4,066</b>	<b>78.7</b>



**STATION**

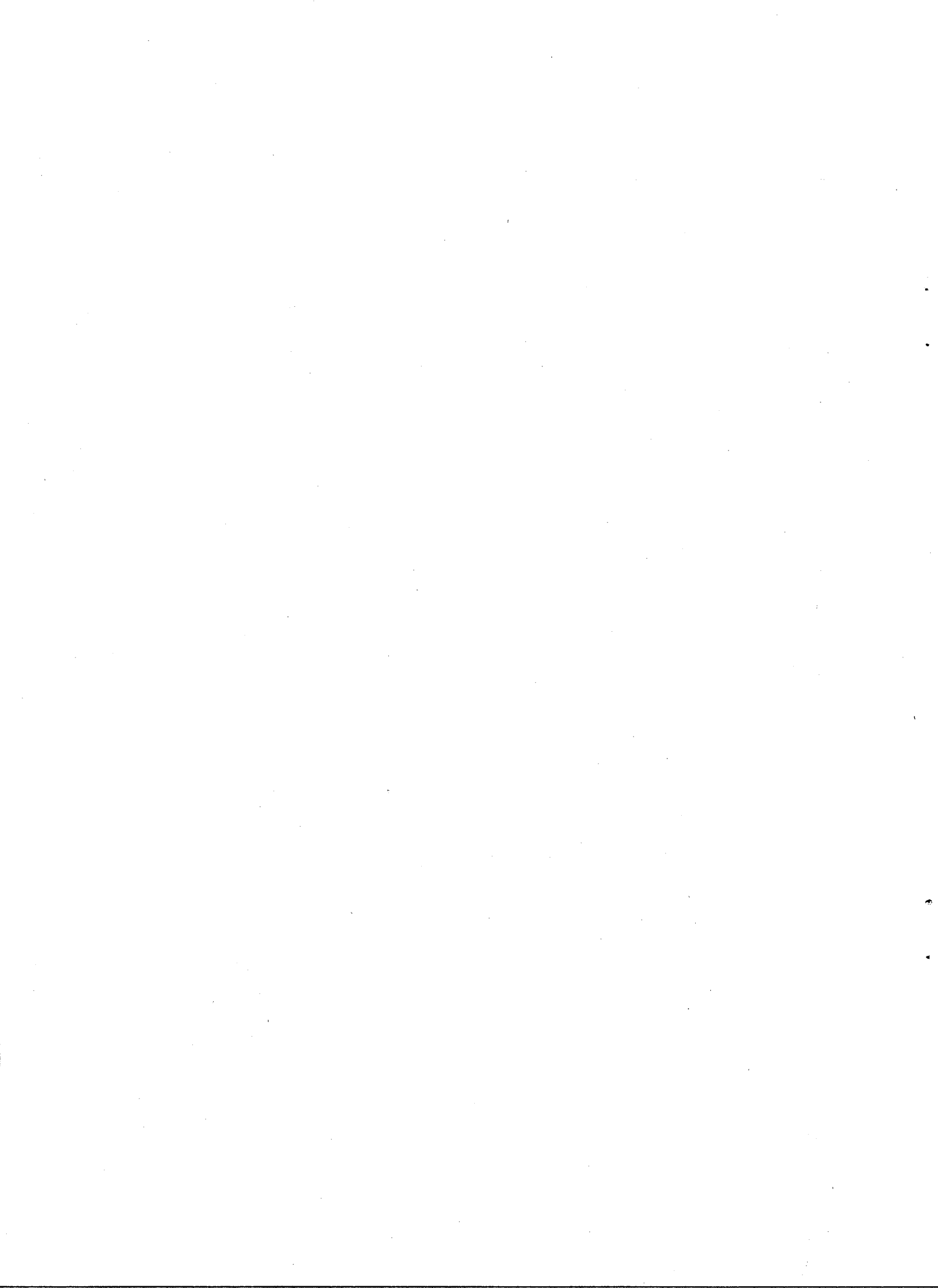
**NUMBER OF LANES**

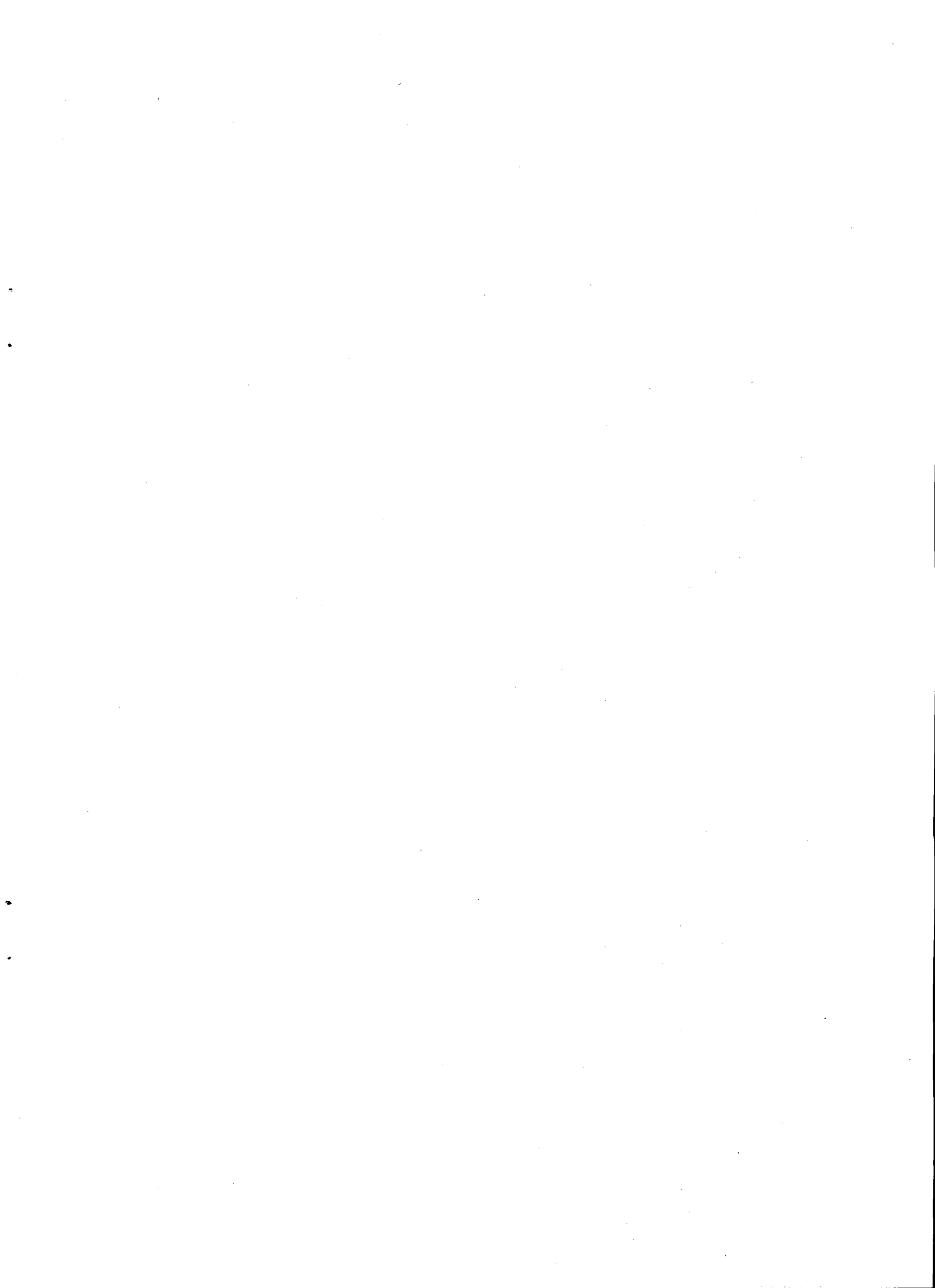
**NUMBER OF PRIVATE GARAGES**

1. ASBURY PARK	2	78
2. ATCO	1	70
3. ATLANTIC CITY	2	82
4. BRIDGETON	1	--
5. CAPE MAY	1	82
6. CHERRY HILL	0	79
7. DELANCO	1	83
8. DEPTFORD	3	85
9. EATONTOWN	0	102
10. FLEMINGTON	1	77
11. FREEHOLD	2	100
12. JERSEY CITY	3	70
13. KILMER	3	91
14. LIVINGSTON	1	101
15. LODI	0	100
16. MANAHAWKIN	1	82
17. MILLVILLE	1	--
18. MONTCLAIR	2	99
19. MORRISTOWN	2	30
20. MOUNT HOLLY	2	37
21. NEWARK	4	163
22. NEWTON	2	83
23. NORTH BRUNS.	1	36
24. PARAMUS	4	130
25. PLAINFIELD	2	79
26. RAHWAY	0	37
27. RIDGEWOOD	2	101
28. SALEM	1	73
29. SECAUCUS	0	100
30. SOMERVILLE	1	82
31. TOMS RIVER	2	--
32. TRENTON	4	155
33. WASHINGTON	1	73
34. WAYNE	3	215
35. WESTFIELD	3	87
36. WHIPPANY	1	71

**DRIVER TESTING CENTERS**

37. ATLANTIC CITY	48. LODI
38. BERLIN	49. MORRISTOWN
39. CAPE MAY COURT HOUSE	50. NEWARK
40. CHERRY HILL	51. PHILLIPSBURG
41. DELANCO	52. PLAINFIELD
42. DOVER	53. RAHWAY
43. EATONTOWN	54. TRENTON
44. FLEMINGTON	55. TOMS RIVER
45. FRANKLIN	56. VINELAND
46. HACKETTSTOWN	57. WAYNE
47. JERSEY CITY	58. WOODSTOWN





## WAITING TIMES BY MONTH\*

1982 TO 1985

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Jan.	6	4	7	8
Feb.	10	7	12	15
March	20	3	9	11
April	25	5	15	10
May	23	8	11	10
June	27	9	14	12
July	33	11 <sup>b</sup>	14	10 <sup>d</sup>
Aug.	5 <sup>a</sup>	10	13	8
Sept.	3	14	17	8
Oct.	3	16	13	7
Nov.	5	21 <sup>c</sup>	15	7
Dec.	3	12	10	6
Avg.	14	10	13	9

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\*Waiting Times are expressed in minutes and represent the daily average for that month.

- 
- a. Aug. 1982 -- Start of odd/even System.
  - b. Jul. 1983 -- Return to annual inspection.
  - c. Nov. 1983 -- Start of Public/Private Program.
  - d. Jul. 1985 -- Opened 14 new inspection lanes.

FILE COPY

STATEMENT BY THE NEW JERSEY  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
BEFORE THE NEW JERSEY ASSEMBLY, SELECT COMMITTEE ON  
THE DIVISION OF MOTOR VEHICLES

TOPIC: DEPARTMENT OF ENVIRONMENTAL PROTECTION INVOLVEMENT IN THE EMISSION  
INSPECTION OF AUTOMOBILES; STATUS OF AIP QUALITY; POSITION REGARDING THE  
PUBLIC/PRIVATE INSPECTION PROGRAM; QUALITY ASSURANCE OF THE PRIVATE  
INSPECTIONS

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. MY NAME IS JOHN C. ELSTON. I AM ASSISTANT DIRECTOR, AIR QUALITY MANAGEMENT AND SURVEILLANCE, IN THE DIVISION OF ENVIRONMENTAL QUALITY, DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP).

MY DEPARTMENT'S INTEREST IN THE MOTOR VEHICLE INSPECTION PROGRAM LIES PRIMARILY IN THE PROPER IDENTIFICATION AND CORRECTIVE MAINTENANCE OF VEHICLES WITH EXCESSIVE EXHAUST EMISSIONS. OUR ROLE IS ONE IN WHICH WE PROVIDE TECHNICAL SERVICE SUCH AS CALIBRATION, EQUIPMENT SPECIFICATIONS, AND AUDITING NECESSARY TO CARRY OUT THIS FUNCTION. FOR THE LAST 12 YEARS, NEW JERSEY HAS BEEN A MODEL FOR THE REST OF THE NATION IN DEVELOPING THE AUTO EMISSION INSPECTION MAINTENANCE PROGRAM (NOW COMMONLY REFERRED TO AS I/M). OUR BELIEF IS THAT THE TRIAL PUBLIC/PRIVATE INSPECTION OPTION HAS BEEN SUCCESSFUL, BOTH FROM THE STANDPOINT OF IMPROVING AIR QUALITY AND COST AND CONVENIENCE TO THE MOTORING PUBLIC. AS LONG AS THE QUALITY ASSURANCE PROCEDURES INHERENT IN THE DESIGN OF THE PROGRAM ARE MAINTAINED WE BELIEVE THE PUBLIC/PRIVATE OPTION SHOULD BE RETAINED.

THE PREMISE OF THE PROGRAM IS THAT VEHICLES WHICH ARE PROPERLY MAINTAINED PRODUCE LESS CARBON MONOXIDE (CO) AND HYDROCARBON (HC) THAN IF ALLOWED TO DEGRADE DURING NORMAL USAGE. THIS IS INDEED TRUE, AS HAS BEEN POINTED OUT IN PAST STUDIES CONDUCTED IN NEW JERSEY'S PUBLIC INSPECTION PROGRAM AS WELL AS OTHER PROGRAMS STUDIED BY EPA. GENERALLY, THIS INFORMATION SHOWS THAT VEHICLES WHICH FAIL THE EMISSION TEST AND SUBSEQUENTLY RECEIVE PROPER MAINTENANCE HAVE THEIR EMISSIONS CUT IN HALF. RECENT DATA COLLECTED FROM JUST PRIVATE STATIONS IN NEW JERSEY SHOW EVEN GREATER POLLUTION REDUCTION; 58% REDUCTION FOR CO AND 73% REDUCTION FOR HC EMISSIONS. TODAY BECAUSE OF THE INSPECTION/MAINTENANCE PROGRAM, NEW JERSEY IS A MUCH CLEANER STATE IN REGARDS TO THESE POLLUTANTS. THE CHARTS APPENDED TO THIS TESTIMONY PROVIDE YOU WITH A TREND OF THE PROGRESS WE ARE MAKING. THE SOLID LINE INDICATES THE AVERAGE CARBON MONOXIDE AND OZONE AIR QUALITY FOR THE LAST TEN YEARS ENDING 1984. THE DOTTED LINE IS THE NATIONAL AVERAGE. IN NEW JERSEY, SINCE 1975 WE HAVE ACHIEVED A 53% REDUCTION FOR CO. THIS IS CONSISTENT WITH THE EMISSION REDUCTION ACHIEVED IN THE INSPECTION PROGRAM.

DURING THE SAME PERIOD WE HAVE ALSO ACHIEVED A 20% REDUCTION IN OZONE. THESE IMPROVEMENTS HOWEVER HAVE NOT KEPT PACE WITH THE REDUCTION OF EMISSIONS FROM AUTOMOBILES. THE REASON FOR THIS IS THREEFOLD: 1) HYDROCARBONS COME FROM MANY SOURCES OTHER THAN AUTOMOBILES, 2) THE RELATIONSHIP BETWEEN HYDROCARBONS AND OZONE REDUCTIONS IS NOT ONE TO ONE, AND 3) OZONE TRANSPORT INTO THE STATE ALSO MUST BE CONTROLLED PROPORTIONATELY IN OTHER STATES. FOR THESE REASONS, IT IS UNLIKELY THAT NEW JERSEY WILL MEET THE 1987 GOAL ESTABLISHED BY CONGRESS IN THE CLEAN AIR ACT. IT IS OUR INTENT TO WORK WITH EPA AND THE FEDERAL GOVERNMENT TO DEVELOP FURTHER CONTROL IN THE STATE, WHILE AT THE SAME TIME URGING THE FEDERAL

GOVERNMENT TO SEE THAT EQUIVALENT CONTROLS ARE ENACTED IN OTHER STATES WHICH CONTRIBUTE TO NEW JERSEY'S EMISSIONS. WE ARE CONFIDENT THAT THIS PLAN WILL ALLOW GRADUAL FURTHER IMPROVEMENTS IN NEW JERSEY'S AIR QUALITY AND AVOID THE POSSIBILITY OF FEDERAL SANCTIONS WHICH COULD BE IMPOSED ON NEW JERSEY FOR FAILURE TO MEET ITS CLEAN AIR TARGET.

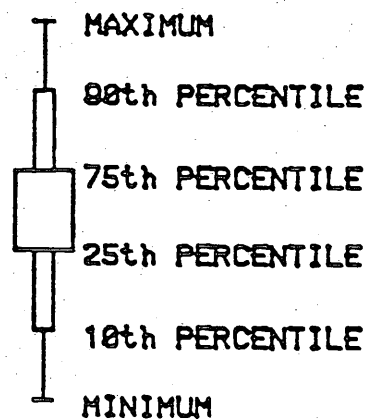
IN THE TWELVE YEARS SINCE THE EMISSIONS PROGRAM HAS BEEN MANDATORY, THE PROGRAM HAS MADE SIGNIFICANT TECHNICAL PROGRESS, REFLECTING BOTH THE TIGHTER EMISSION CONTROLS ON NEWER MOTOR VEHICLES AND THE STATE OF THE-ART OF TESTING EQUIPMENT. THIS PROGRESS IS SHOWN IN TABLE 1. PLEASE NOTE THAT TESTING EQUIPMENT PRIOR TO THE PUBLIC/PRIVATE TRIAL PROGRAM USED FIRST GENERATION EQUIPMENT DESIGNED IN THE EARLY 1970'S. BY INCORPORATING THE PRIVATE SECTOR IN THE INITIAL INSPECTION PROGRAM, WE WERE ABLE TO MANDATE ADVANCED TESTING EQUIPMENT. WE BELIEVE THIS ASPECT, AS WELL AS THE EXPERIENCE PRIVATE STATIONS HAVE GAINED WITH THE REINSPECTION PROGRAM, HAS MAINTAINED THE INHERENTLY GOOD QUALITY ASSURANCE OF THE PUBLIC INSPECTION PROGRAM. WE HAVE BROUGHT WITH US TODAY A SAMPLE EMISSIONS TESTER USED BY PRIVATE GARAGES. THIS IS ONE OF FIVE SIMILAR PRODUCTS ON THE MARKET TODAY. WE WILL DEMONSTRATE ITS QUALITY ASSURANCE USEFULNESS IN A FEW MOMENTS.

IT IS ALSO INTERESTING TO VIEW INSPECTION PROGRAMS OPERATING IN OUR NEIGHBORING STATES. THE CURRENT STATUS OF PROGRAMS IN MASSACHUSETTS, RHODE ISLAND, CONNECTICUT, NEW YORK, PENNSYLVANIA, DELAWARE, AND MARYLAND, IS SHOWN IN TABLE 2. MASSACHUSETTS AND PENNSYLVANIA HAVE PROGRAMS SIMILAR TO THE PRIVATE OPTION IN NEW JERSEY. THE MAJOR DIFFERENCE IS THAT PRIVATE GARAGES IN THESE STATES MUST CONTRACT WITH THE EQUIPMENT MANUFACTURER FOR SERVICE AND DATA

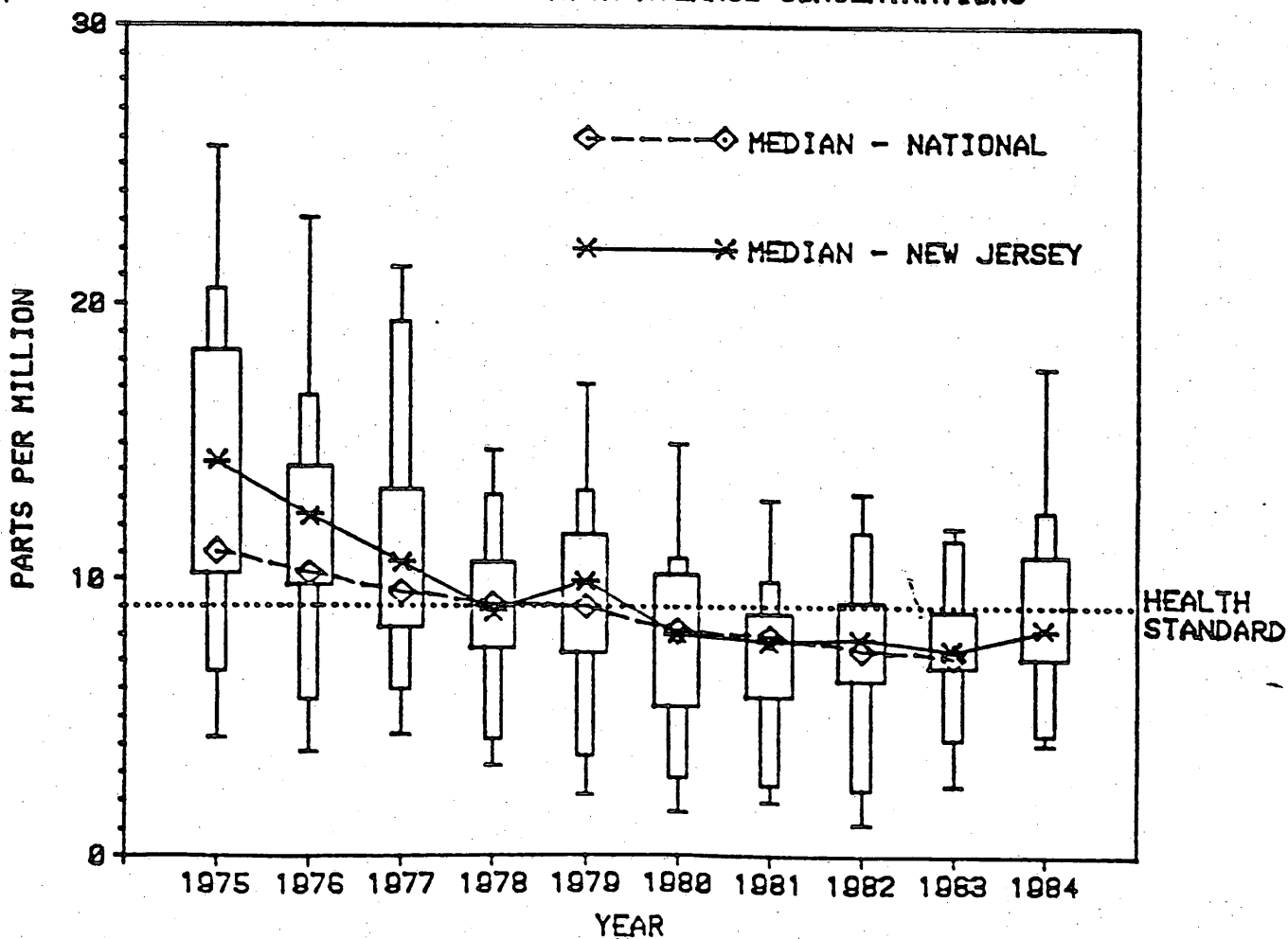
COLLECTION. THE MANUFACTURER IS CONTRACTED BY THE STATE TO COLLECT, ASSEMBLE, AND FORWARD ALL DATA RECORDS TO THE STATE FOR QUALITY ASSURANCE PURPOSES. IN NEW JERSEY, THE DIVISION OF MOTOR VEHICLES PERFORMS THE TASK OF COLLECTING THE DATA AND OUR AGENCY PERFORMS THE DATA SUMMARY. THIS HAS RESULTED IN A SAVINGS FOR THE PRIVATE STATIONS. HOWEVER, THE EQUIPMENT MANUFACTURER MUST STILL PROVIDE SERVICE REPAIRS AT THE EXPENSE OF THE SERVICE STATION. THE TABLE ALSO INDICATES THAT OTHER STATES USE A VARIETY OF DIFFERENT CONCEPTS; SOME RELY ON CONTRACTORS, OTHERS PERFORM THE INSPECTION THEMSELVES. GENERALLY, THE CONTRACTED PROGRAMS ARE MORE EXPENSIVE TO THE MOTORIST. NEW JERSEY HAS THE LOWEST PUBLIC INSPECTION FEE, \$2.50. WHEN CONSIDERING THE ADDITIONAL EVALUATION TIME PROVIDED BY THE PRIVATE STATION, THE AVERAGE \$15.00 FEE IS ALSO REASONABLE.

WE BELIEVE THE PRIVATE INSPECTION PROGRAM HAS WORKED WELL BECAUSE THE CONSUMER HAS A CHOICE OF TWO QUALITY INSPECTION PROGRAMS. IN EITHER PROGRAM THE CONSUMER HAS CONFIDENCE THAT THE TEST HE HAS RECEIVED IS ACCURATE AND THAT THE SERVICE HE HAS RECEIVED IS REASONABLE IN COST. EMISSION TESTING EQUIPMENT HAS GONE A LONG WAY IN PROVIDING THIS CONFIDENCE. IN THE PRIVATE STATION, THE MOTORIST IS PROVIDED WITH A RECEIPT INCLUDING THE EMISSION AND THE SAFETY ITEMS. SECONDLY, ALL THE EMISSION VALUES AND SAFETY EXAMINATIONS ARE RECORDED INTERNALLY BY THE EMISSION TESTER AND ARE ACCESSIBLE FOR REVIEW BY THE STATE. THE SERVICE INDUSTRY IN NEW JERSEY HAS INVESTED HEAVILY IN ADVANCING THE STATE-OF-THE-ART IN EMISSIONS. CONTINUATION OF THE DUAL INSPECTION PROGRAM WILL PROTECT THIS INVESTMENT AS WELL AS PROVIDE THIS EXCELLENT SOURCE OF CONVENIENCE.

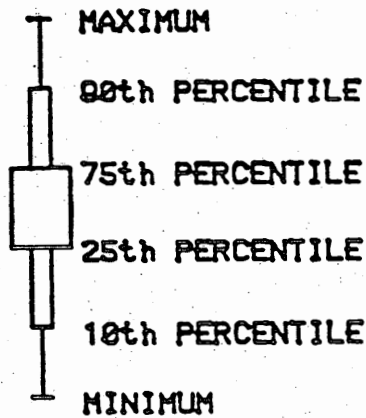
# TREND IN MEDIAN CARBON MONOXIDE CONCENTRATIONS IN NEW JERSEY 1975-1984



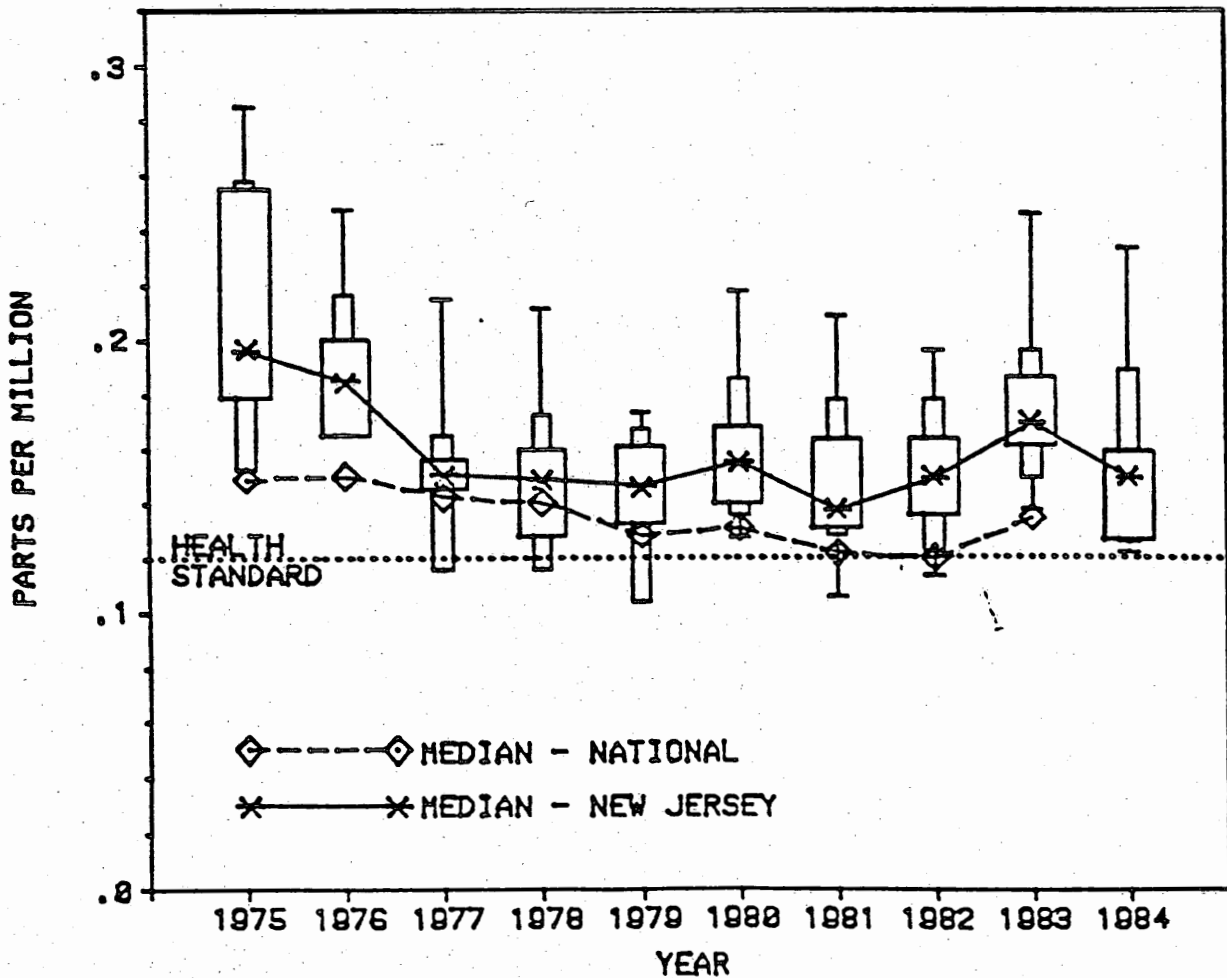
SECOND HIGHEST 8-HOUR AVERAGE CONCENTRATIONS



# TREND IN MEDIAN OZONE CONCENTRATIONS IN NEW JERSEY 1975-1984



SECOND HIGHEST 1-HOUR AVERAGE CONCENTRATIONS



STATE	AREA	START-UP DATE	TYPE OF PROGRAM	TESTING EQUIPMENT		INSPECTION FEE
				PUBLIC	PRIVATE	
Massachusetts	statewide	4/83	private	none	advanced (four manufacturers and required service fee)	\$10.00
Rhode Island	statewide	1/79	private	none	1st generation (1975 vintage)	\$ 4.00 (includes safety)
Connecticut	statewide	1/83	public (contractor operated)	advanced - (contractor supplied)	no requirement	\$10.00
New York	New York City and 5 counties	1/82	private (sole source contractor)	none	advanced (contractor supplied)	\$ 6.50
13X Pennsylvania	Philadelphia Pittsburgh, Allentown/Bethlehem/Easton areas	6/84	private	none	advanced (five manufacturers and required service fee)	\$ 5.00
Delaware	Willmington New Castle area	1/83	public (state operated)	2nd generation (1980 vintage)	no requirement	included in safety
Maryland	Baltimore and D.C. suburb area	2/84	public (contractor operated)	advanced (contractor supplied)	volunteering certified equipment - 1st and 2nd generation	\$ 9.00
<hr/>						
New Jersey	statewide	2/74	public/private option	advanced - modified for lane operation	advanced - (five approved manufacturers, no required service fee)	public-\$2.50 (includes safety) private - 1/2 hr. rate (includes safety)

HISTORY OF NEW JERSEY MOTOR VEHICLE EMISSIONS

INSPECTION/MAINTENANCE

<u>YEAR</u>	<u>STATE EQUIPMENT</u>	<u>PRIVATE EQUIPMENT</u>	<u>REGULATORY CHANGE</u>
1974	1st generation - (1970 vintage with modification)	1st generation - (1970 vintage without modification)	mandatory maintenance
1975	"	"	tighter standards
1977	"	"	tighter standards
1979	2nd generation - (1975 vintage with modification)	"	----
1985	advanced - (1980 vintage with modification)	advanced - (1980 vintage without modification)	tighter standards, gasoline trucks, 1st year inspection, anti-tampering
1987	"	"	diesels, tighter anti-tampering, mechanic certification

X#1



**Testproducts  
Division**

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Testimony of William R. Healey, Legislative Agent  
Allen Group, Testproducts Division

NEW JERSEY ASSEMBLY

SELECT COMMITTEE ON THE NEW JERSEY

DIVISION OF MOTOR VEHICLES

March 5, 1986

Chairman Schuber, members of the select committee, thank you for the opportunity to offer some comment on the status of New Jersey's dual public/private system for initial inspections.

My name is William R. Healey and I serve as a legislative agent in New Jersey for the Allen Group, Testproducts Division, based in Kalamazoo, Michigan. Allen Testproducts is the largest manufacturer of automotive emission testing equipment in New Jersey and is also the supplier of the emissions testing equipment used in the Division of Motor Vehicles' own inspection lanes.

As a leader in the making of emission equipment, Allen Testproducts was also very active in the hearings held by your predecessor group, the Motor Vehicle Inspection Study Commission, chaired by Senator Frank Graves.

I'm sure many of you are aware of the past history of the dual system for initial inspections. After more than two years of experimentation, we believe the facts show that the system should be made permanent.

During 1985, a number of changes affecting New Jersey vehicle inspections took place. The United States Environmental Protection Agency required the use of more sophisticated emissions analyzing equipment. In addition, more than one million commercial and heavy-duty vehicles were brought under the requirement of annual inspections.

The some 3,200 private garages that now perform initial motor vehicle inspections provide a reliable alternative and important convenience for New Jersey's motoring public. The use of private garages now accounts for about 15% of all initial inspections.

The dual system provides important relief for the State's oftentimes overburdened inspection lanes. Today, because of this alternative available to motorists, one rarely hears about the long waiting lines that were common just a couple of years ago.

If we were to revert to an entirely state-run system for initial inspections, those lines would once again reappear, requiring a massive financial outlay from the State in order to build new inspection facilities. The dual public/private inspection program has effectively proven that to be unnecessary.

More than 3,000 independent business persons have made a substantial financial commitment in purchasing this equipment. However, as we speak, these private garage operators have no guarantee that they will be able to use this equipment after June 1 of this year.

The dual inspection program should be made permanent. We feel that the Division of Motor Vehicles can be proud of the effectiveness of the program and we would look forward to working with NJDMV to help the inspection program meet its future goals.

We're pleased that legislation has been introduced to make this system a permanent one and feel it signals Assembly and Senate recognition of an effective program.

Best of all, the permanent establishment of the dual initial inspection program would be a plus for all the state's motorists. It is our belief that if the program is made permanent, additional garages would choose to participate in the initial inspection program (as you may remember, prior to last year's controversy over the new analyzers and New Jersey's clean air agreement with USEPA, more than 4,000 garages participated in the initial inspection program). That would help to ensure that our ever-increasing motor vehicle population could be adequately handled well into the future.

Making this program permanent would help New Jersey better serve its motorists, meet its air pollution control standards and provide savings to taxpayers by utilizing private sector business. We fully support Chairman Schuber's legislative initiatives toward that end.

Thank you for this chance to address the committee. I would be happy to try and answer any questions on behalf of Allen Testproducts.

