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PUBLIC HEARING

before

**ASSEMBLY SELECT COMMITTEE ON THE
DIVISION OF MOTOR VEHICLES**

to

Receive testimony on the regulation of motor vehicles
and the operation of Motor Vehicle agencies from
representatives of other mid-Atlantic states

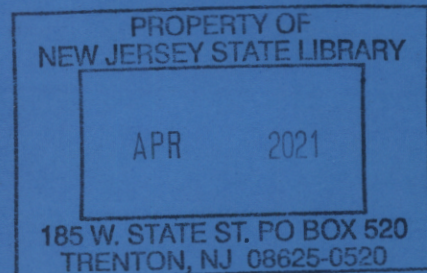
June 19, 1986
Room 449
State House Annex
Trenton, New Jersey

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

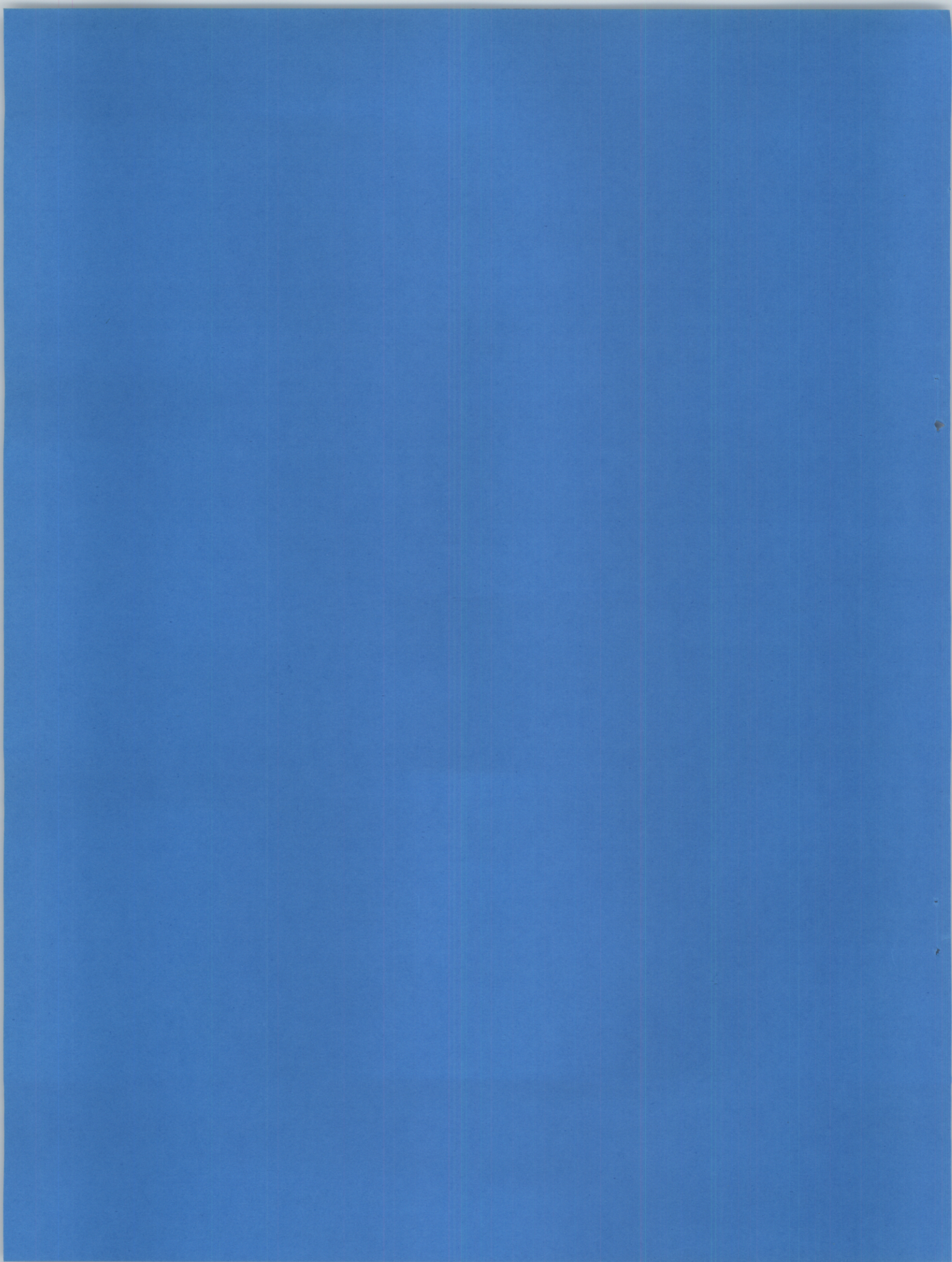
ALSO PRESENT:

Aggie Szilagyi
Office of Legislative Services
Aide, Assembly Select Committee
on the Division of Motor Vehicles



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Hearing Recorded and Transcribed by
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Public Information Office
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Trenton, New Jersey 08625





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MEMORANDUM

TO: Members of the Assembly Select Committee on the
Division of Motor Vehicles

FROM: William P. Schuber, Chairman

DATE: June 9, 1986

SUBJECT: PUBLIC HEARING on Thursday, June 19, 1986

The Assembly Select Committee on the Division of Motor Vehicles will hold a public hearing on Thursday, June 19, 1986 at 9:30 a.m. in Room 403 of the State House Annex in Trenton.

The purpose of this public hearing is to receive testimony on the regulation of motor vehicles and the operation of motor vehicle agencies from representatives of other mid-Atlantic states.

Anyone who would like to participate should contact the Committee Aide, Aggie Szilagyi, at (609) 984-0231.

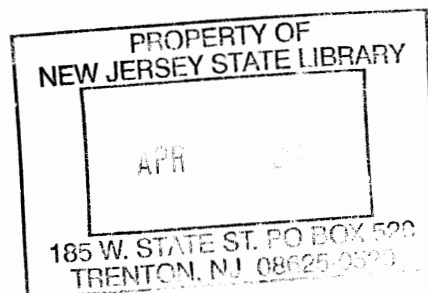


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ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman): I would like to call this hearing to order. Let me welcome everyone to this continuous public hearing before the Assembly Select Committee on the Division of Motor Vehicles.

Today, we have invited, and will be hearing from, representatives of the Motor Vehicle Departments of the States of Pennsylvania and Virginia. The representatives of the State of New York were unable to be with us today. We will have to reschedule them.

I will introduce the Committee member who is here with me. Obviously, everyone knows Assemblyman Miller from Passaic County, and we expect other members of the Committee to join us as the hearing progresses.

We have invited to this hearing representatives of the Motor Vehicle Departments of the States of Pennsylvania and Virginia in order to elicit information from them on their systems of licensing, registration, and the regulation of motor vehicles used in their respective states.

During the last several hearings, we have heard from the Attorney General, Motor Vehicle agents of the State of New Jersey, law enforcement officers, and others regarding the problems with New Jersey's system of Motor Vehicle registration and regulation, and the existing proposals for its reform during the next few years. The Committee now feels that all the information obtained should be put into some perspective and today, as a result, we will try to compare our system with those of two neighboring states. At this hearing the Committee would like to gather information on the successes or failures experienced by other states, particularly our neighboring states, Pennsylvania, and sister state, Virginia.

The representatives we have with us today -- and we are very pleased to have them join us -- will begin a brief overview of their states' systems. The two representatives with us today are Jack Zogby, who is with the Department of

Transportation of the State of Pennsylvania, and Frank Sencindiver, who is Deputy Director of the Department of Motor Vehicles in the State of Virginia. At this time I am going to ask if Mr. Zogby would come to the front table here and make his presentation. Please introduce yourself to us, Mr. Zogby.

J O H N J. Z O G B Y: Good morning.

ASSEMBLYMAN SCHUBER: Good morning. Thank you for being with us. I understand you left very early from Harrisburg.

MR. ZOGBY: I will be awake for about another hour. My name is Jack Zogby. I am Deputy Secretary of Transportation, in charge of the Motor Vehicle driver licensing activities.

I am happy to have this opportunity to present some information to you. If you will bear with me -- although I did hand in this testimony -- I would like to read through a good part of it, to stress the points at least of how we are organized in Pennsylvania, and perhaps some of the differences.

ASSEMBLYMAN SCHUBER: Anyone who got up as early as you did this morning has the right to read his statement. Please go right ahead.

ASSEMBLYMAN MILLER: Or we'll read it for him, if the eyes are closed.

MR. ZOGBY: As a neighbor, we are happy to help, if we can. I am presently serving in my eighth year as Deputy Secretary for Safety Administration in Pennsylvania. The Department is formally organized under five deputy secretaries.

As Deputy Secretary for Safety Administration, I am responsible for the Bureau of Motor Vehicles, the Bureau of Driver Licensing, and the Center for Highway Safety. In that capacity, I am also the Governor's Highway Safety representative. The missions we have for safety administration are: To administer the driver and vehicle programs; to provide financial and information resources to support the State's

transportation network; and, to develop, coordinate, implement, and evaluate a comprehensive highway safety program.

During the Administration of Governor Dick Thornburgh, and under the direction of Transportation Secretary Tom Larson, we have reorganized and revitalized the operations of the Safety Administration Bureaus. We have restructured the three bureaus along functional lines. Now, vehicle programs are carried out by one bureau, driver programs are the responsibility of a separate bureau, and safety efforts are the concern of the third bureau. The reason I emphasize that is that eight years ago that wasn't so.

Our programs have concentrated on the challenges of what I refer to as the three "p's -- product, process, and people. We have continually sought to design and provide the kinds of products that Pennsylvanians want and need. We have installed state-of-the-art data processing systems -- you will probably hear that often -- which deliver products in a timely fashion, of high quality, and within acceptable cost limits, and that is a very important ingredient in my presentation. And, perhaps more importantly, we have involved all of the members of the staff in these efforts in order to obtain the greatest benefit from their talents and ingenuity.

I am proud to be able to look back over the last seven years in which services to Pennsylvanians have been significantly improved. Perhaps in the question part of this presentation I can give you some background on what had happened before. We have implemented programs: To stagger vehicle registrations -- this happened within my administration; to combine vehicle titling and sales tax collection processes, which were separate -- that is the sales tax on automobiles; to issue photo driver licenses -- we are into our fifth year; to make Pennsylvania the first northeastern member state of the International Registration Plan -- which is a registration system for commercial heavy

vehicles; to improve our motor carrier safety on-road inspection efforts; and, to substantially decrease application processing times. Our activities are continuing with major projects to redesign our vehicle, driver, and accident record data processing systems.

All that we have accomplished has occurred during an overall downsizing of state government. The staff of Safety Administration has been reduced from approximately 1400 persons in January of 1979 to less than 1100 people today. By the end of this year, we will be down to 1055 staff members.

To be able to improve services to our citizens at the same time that we are reducing staff has been possible only through our continuing search for greater efficiencies in our operations. We have been aided in this effort through a department-wide strategic planning and budgeting process which has recognized the Safety Administration area as one of the Department's four primary business groups, and I will be happy to elaborate on that a little later. This business group concept has enabled us in the Driver and Vehicle Services Business Group to maintain a position of prominence and priority in the lively and healthy competition for fiscal and other resources.

As I mentioned to you earlier in the presentation, we were organized under five deputies. That is the formal organization. Our informal organization is on the Strategic Planning Business Group concept. We really have three major product lines -- the transportation systems, the driver/vehicle services, and the grants mechanism that services transit agencies. The fourth business group is all the support agencies.

Safety Administration collects almost \$1 billion in fees and taxes every year. A significant portion of the funds which we collect are deposited in the Motor License Fund, the source of funding for all of the state's highway maintenance

and construction programs. My operations are also supported by the Motor License Fund. Our annual budget of-- I have a range here of \$45 million to \$50 million, only to show that \$5 million of my budget is federally augmented. Our budget is a result of an extensive internal hearing and review process which evaluates our needs in relation to the highway programs. I am referring again to the strategic planning and budgeting process. I make a formal presentation to the Secretary of Transportation, who then incorporates that into his budget presentation to the Governor.

Because one of our primary missions is to collect funds to support the state's highway programs, we have continually sought to maintain a revenue/cost ratio of at least 20 to 1. In fact, currently it is 21 to 1. That is a major emphasis because I think that will answer one of the questions that I understand you have; you know, in the case of Pennsylvania, why in the Transportation Department and how does it operate that way? Obviously, my mission now is to collect as much money with the least possible expense so we can maintain our highways.

As a result, we have had to maintain a sharp focus on our priorities and put aside "luxury" program proposals which are not in line with our primary missions.

I have provided you with this information not in an attempt to impress you with our accomplishments -- because I know you are not easily impressed -- but so that you are able to better understand the context in which this Safety Administration operates. As you know, state governments differ. These differences are rooted in the historical developments of the states and in the structures which have evolved over the years as a result of administrative and legislative actions. The ways that we handle vehicle and driver applications in Pennsylvania now, and propose to handle them in the future, are not the same as New Jersey. What works

in Pennsylvania may not be a suitable answer to your Motor Vehicle program areas here.

But, to give you an idea of how we operate, Pennsylvania is a centralized system. Basically, we are a mail order system. We operate no branch offices. Now, those of you who are close to the Philadelphia area will challenge me on that, but I will explain that, too. We did once have a branch office in Philadelphia. We closed it. All applications for driver license and vehicle registration renewals are processed in Harrisburg. Learner permits and vehicle title applications are also handled through our centralized operations.

I believe we are the only state in the country which operates to a centralized system. That tells you something. It also tells you of the need to have locally distributed services.

We have chosen this approach because it offers us the greatest efficiencies in, and control of these processes -- and it does, no doubt about it. When we considered contracting out our renewal processing to a bank with commercial lockbox capabilities, we discovered that no bank would bid on the work because they could not compete with the low costs of our renewal payment processing operations. They just wouldn't touch it. They couldn't beat our price.

And, not only is our operation efficient, but we have also been able to keep it productive. The days when Pennsylvania's Bureau of Motor Vehicles was backlogged for weeks with renewal applications are long gone, and I'm talking about weeks; in some cases, months. We now complete all processing of these applications within two days, which includes the deposit of all checks, and the delivery of the finished products to the post office. And, in our continuing efforts to apply "business" principles to our operations, we have used a mail pre-sort contractor to enable us to save on postage costs. Again, we are a mail order business, and this

is not an insignificant cost. My budget for postage is about \$5 million a year. But my savings in this pre-sort, on first-class mail, is-- My cost is under 19 cents, which would be a 22-cent item.

While it is accurate to say that our operations are centralized in Harrisburg, it is also somewhat misleading. We do not have any branch offices, but there are facilities available throughout the Commonwealth where Pennsylvanians can and, in some cases, must go for application processing. The Pennsylvania State Police, for one, operate 80 driver examination centers where temporary licenses are given to new drivers and to new residents who previously held valid licenses from other states. This is their first contact.

Our safety inspection and emission inspection programs are carried out by more than 18,000 private stations.

We also have 115 photo license centers located throughout the Commonwealth, operated by a contractor, at which drivers are photographed and final licenses are instantly issued. They do not do any of the processing; all they do is give out the licenses. That contract, by the way, is to an industry called Pennsylvania Industries for Blind and Handicapped. It is an umbrella organization that represents all of the blind and handicapped workshops throughout the state. They contract for, and operate, these facilities with handicapped people. The law states they must employ at least 75% handicapped people. They can get technical expertise in other areas.

ASSEMBLYMAN SCHUBER: What is the law in Pennsylvania? Does everyone have to have a photo license?

MR. ZOGBY: Everyone has to have a photo license. If you have any questions there, I can elaborate on that contract. It has worked well for us.

These offices are complemented by an extensive network of private agents who assist persons in completing vehicle and

driver applications. There are four types of agents -- card agents, full agents, dealers, and messenger services. I think I ought to elaborate on this so you can understand what kind of a mechanism this is. This is something that has evolved over the years when people just used to run applications in. That is, in fact, what they do.

Card agents are notaries. They handle our applications, several of which require notarization. That is how they got into the business. There are more than 60,000 notary publics in Pennsylvania. We estimate that approximately 30,000 of them handle our applications at least occasionally. They are referred to as card agents because they are authorized to handle title and registration transfer applications and to issue temporary registration cards to the new vehicle owners. These duties include the collection and transmittal of all fees and taxes due to the Department. The only requirement placed on these agents is that they are notaries. No special bond or registration with us is required.

Full agents do everything which card agents do -- do everything the notaries do -- plus they are authorized to issue a metal temporary registration plate to the title and registration applicant. We do not have cardboard temporary plates in Pennsylvania. The only time we issue a cardboard plate is when the vehicle is going to be registered in another state; that is, they bought it in Pennsylvania and it is going to leave Pennsylvania. If it is going to stay in Pennsylvania, we give it a metal plate. That temporary metal plate becomes a permanent plate just by putting on a validated sticker.

Therefore, while card agents can only transfer existing registrations, full agents are also able to issue new registrations. The full agents must post a \$10,000 per office bond with our Department in order to obtain authorization. There are approximately 1400 full agents in the Commonwealth.

The third level are dealers. Dealers want to process the temporary registration cards and plates, obviously, so the person can drive out of that showroom with the car plated and with his temporary registration. Most new and used car dealers who are in this business -- over 6000 -- are authorized to issue temporary plates.

The highest level of agent in Pennsylvania is called the messenger service, and this is embodied in the statute, by the way. Almost all messenger services are also full agents. In addition to issuing temporary registration cards and plates, a messenger is authorized to personally deliver vehicle and driver applications to the Department's offices in Harrisburg. They are primarily runners. They collect the registration forms and money from the motorists and run them into Harrisburg. We will process them, give them back to them, and they will deliver them to the motorists, the same day. Most of our messenger services are out of the Philadelphia area, not surprisingly.

When the work is completed, the products -- except titles; titles are mailed directly to the motorists -- are then given to the messenger to return to the motorists.

The criteria requirements to become a messenger service are embodied in law. Those applying for messenger services are reviewed by the Department's Inspector General's office to ensure that they qualify; that is, both for moral integrity and financial requirements. They must post a \$50,000 bond. There are 145 messengers who are allowed to do business in the Commonwealth. Many card agents, full agents, and dealers submit title applications to us through messengers. One messenger service, by the way, is the Pennsylvania AAA. They have 88 offices throughout the Commonwealth. It is an organization most motorists are used to dealing with.

In fact, over half of the title applications which we receive are brought to us by messengers. I can elaborate on

that later. That was one activity that-- At the time I took over, most of the people in my office thought they were some sort of a bandit operation. When I realized that they handled half of our title applications, I figured, "Well, I better do business with these people." As an additional service, messengers are permitted to issue certain classes of temporary learners' permits after checking with the Department.

All four of these types of agents collect and transmit to us the fees due the Commonwealth. The fees which they charge for their services are in addition to those charged by the Department. There are no limits placed on the fees which they charge, except for a \$10 maximum set by the Legislature on the issuance of a temporary registration plate. They can charge no more than that. All of the others are marketplace driven.

Pennsylvania citizens use the services of these agents for a variety of reasons. In some cases, they are asking the agent to assist them with what appears to be a complex process for obtaining vehicle and/or driver credentials. With estimates of functional illiteracy in the general population running as high as 25%, this is not surprising. We in the public sector, especially in motor vehicle and driver licensings, think we design easy forms. Well, no matter how easy we think we designed them, there is still going to be 25% of the population who just don't understand them. Other people are quite capable of handling the application, but have waited until the last minute to submit it and now want fast service. So, they will go to a tag agent today and they will hope that person will bring their registrations back that night, because they haven't got the time to run to Harrisburg.

The agents have provided a very valuable service to both the Department and the citizens of the Commonwealth, and I recognize that. They have served as a local source of assistance through which applications are channeled to our

Harrisburg offices. One of the things I did with these messenger services, by the way, was, I got them to do some pre-preparation work, so I can expedite the process myself in Harrisburg. And they were happy to do it because, obviously, fast service is one of their selling points.

However, in 1984, members of my management staff and I decided that we needed to explore ways in which we could more effectively decentralize our vehicle and driver services. While I am very happy with the centralized approach, and while I understand its cost-effectiveness, there is a service out there that could be administered to the Commonwealth citizens. Especially in Pennsylvania, I think you can appreciate the difference in size. In the rural areas of Pennsylvania, you have-- Erie is about a five and a half mile drive from Harrisburg. Our current agents are only now capable of handling temporary credentials. All processing must occur in Harrisburg. That is the way we are organized. We wanted to consider ways in which the processing could be moved into local communities.

So, we hired a consultant to conduct a feasibility study of the decentralization alternatives. One of those alternatives, by the way, was, should we have branch offices? Our needs included the requirement for the Commonwealth to provide vehicle and licensing services to the public in a manner which would accommodate a wide degree of intellectual abilities, convenience in terms of local service capacities, direct issuance of a finished product, single stop full service, and on-the-spot problem resolution. We also wanted to be certain that, if we decided to proceed with decentralization, we would not preclude the current agents from continuing to carry out their present businesses.

The consultant's final report contained seven alternatives. The alternative we chose was to support a private-sector-operated agent system. Contracts will be

executed with businesses after a careful review of the owners' backgrounds and financial dependability. These decentralized service offices will be able to create and change records in our vehicle and driver automated files, to collect the fees due to the Commonwealth, and to issue regular registrations and driver credentials. They will be required to locally deposit our funds in a state account, in sort of a lock box operation.

We will permit the decentralized service system to be market driven. We will neither dictate where offices must be opened or protect market areas where offices already exist. The owners will charge fees for their services. These fees will also be set by the marketplace, not by the state. We believe that this will foster a very healthy competitive and service-oriented approach in these offices. The reason I say that is because what exists now is that kind of a system, and it is market driven. While this goes on, we will maintain our mail order system, which then makes it highly competitive. So, the Pennsylvania motorist has the opportunity to go to a decentralized site, that may be down the street. He will have to pay a fee for that; however, for 22 cents, he can drop it in the mail and get the same credentials.

Equally important, the opportunity to participate in this program will be open to everyone who can meet our contract criteria and be bonded. The selection process will be embodied in statute and on the investigation of our Inspector General's office.

We chose this approach because it is based on private-sector participation. We recognize the excellent service which our current agents have provided to Pennsylvanians, and we are confident that we can build on this foundation in the decentralization program. In addition -- and this is really the persuasive part of this alternative -- we estimate that the Commonwealth will be able to save more than \$9 million in the first five years of the program through staff reductions and other savings in the Harrisburg office.

To proceed with this ambitious program requires a data processing system which will ensure that we can maintain proper management and fiscal controls when we pass processing capability to a contractor-operated office.

Maybe I should pause at this point. I know you have probably heard about data processing systems ad nauseam.

ASSEMBLYMAN SCHUBER: That is only part of it. That is kind of an understatement on our part, but that is all right. (laughter)

MR. ZOGBY: I work in the Transportation Department. My career path has been through Transportation. I have been based and raised in the concept of, you know, maintaining and protecting that infrastructure, and I think you have heard of that recently many times.

Well, what I discovered after becoming a Motor Vehicle administrator, is that the data processing systems are our infrastructure. As they malfunction, or as they collapse, you are in big trouble, as you know. So, we spend a lot of time-- You will always hear, I think, from anyone who comes here from a motor vehicle perspective, how important data processing systems are, but they must be maintained.

ASSEMBLYMAN SCHUBER: I don't think there is any question in our minds that that is true, and that is part of the problem we are having at the present time with so-called state-of-the-art data processing.

ASSEMBLYMAN MILLER: Our trouble is, we never got the chance to maintain them.

MR. ZOGBY: In any event, my two bureaus which are most directly involved -- Motor Vehicles and Driver Licensing -- are currently working on redesigns of those systems. The redesigns are buying me some efficiencies. Remember, I mentioned to you that I am going down to 1055. Well, I couldn't do that unless I redesigned those systems.

ASSEMBLYMAN SCHUBER: Are you redesigning those yourselves, or are you hiring people to do that?

MR. ZOGBY: We have a contractor on board.

ASSEMBLYMAN MILLER: Merrill Lynch?

MR. ZOGBY: Arthur Andersen.

ASSEMBLYMAN SCHUBER: Arthur Andersen?

MR. ZOGBY: Yeah.

ASSEMBLYMAN SCHUBER: Have you ever heard of Price Waterhouse? (laughter)

MR. ZOGBY: I could even elaborate on that a little later. Our current projection is that we will begin phasing in the decentralized system in 1988, with its full implementation by 1991. It requires, also, a telecommunication system so you can have the fiscal and the security of your information. When we are handling driver records especially, we have to be concerned about the integrity of the system.

I will conclude my remarks by noting that while we have come a long way in the past seven years in Pennsylvania, we are far from finished -- as I guess anybody's work is. New challenges remain to be addressed; they emerge daily. One in particular is the kind of service we provide to our General Assembly. If you want me to, I can even elaborate on that.

I understand that your review here of the Motor Vehicle agency includes some fundamental questions about its operations. I can only say that in Pennsylvania, if, in fact, we can provide an example for your help-- I would say that a solid management team, which is given both administrative and legislative support -- and I say both -- can do it. They can succeed. It takes time and hard work, but the service and performance objectives are achievable. That is the happy news anyway.

Thank you for bearing with my reading of my presentation. If you have any questions, I will be glad to answer them.

ASSEMBLYMAN SCHUBER: Jack, thank you very much for coming down here so early to be with us this morning. I know

we have questions for you, but first I would like to introduce other Committee members who have joined us: Assemblyman Bob Martin from Morris County, Assemblyman Tom Shusted from Camden, and Assemblyman Tom Foy from Burlington County.

Jack, let me ask you this, if I might: If I were to move to Pennsylvania and had to register my vehicle there, what would I have to do as a result of it, taking into account all that you have testified to today? What would be my first step?

MR. ZOGBY: Well, you could handle it several ways. One way-- For instance, if you moved into the City of Philadelphia, you could go to one of those messenger services I mentioned, like the AAA office. They will have the forms on hand. You would fill out the forms--

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: --and you would attach the registration information. In this case, in registering your car in Pennsylvania, you would have to have something on the order of a title. Either you would have the title, or it could be encumbered, and we would have to get some information on that. That would be sent to Harrisburg. We would process that, and send it right back to you at your mailing address.

ASSEMBLYMAN SCHUBER: At the mailing address. I am not familiar with this. What is your waiting time at these decentralized offices -- the agents' offices?

MR. ZOGBY: Okay. See, at least as I understand it, and see it -- I visit these people -- the beauty of it is that there is no waiting time. See, it is not the kind of operation where you have -- in your case, what, 55 offices?

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: And everybody must go to that office. These private-sector people have office hours driven by the market again. Many of them are open Saturdays; many of them are open nights. As people come into their offices, they may have one to several clerks, depending, again, on the volume.

Some messenger services-- Take an AAA office, the Keystone Automobile Club in Philadelphia, which is an AAA affiliate, if you walk into their office, they have a long counter of people who handle just motor vehicle applications. So, if you walk in there, the waiting period, you know, may be-- At times, it may be as bad as maybe-- Well, I wouldn't even say a bank, because a bank at noontime backs up. I have never seen any of their offices backed up.

ASSEMBLYMAN MARTIN: Do they charge a fee for their service?

MR. ZOGBY: The AAA people do not charge members. They charge a processing fee to non-members. Now, the other tax services, however, do charge a fee. That fee, again, is by market. There may be an office in Philadelphia -- one service I know of-- They will charge for the processing of a simple renewal -- they will charge perhaps \$5. They do that because down the street the guy will do it for \$4.

ASSEMBLYMAN MARTIN: It is not regulated at all?

MR. ZOGBY: It is not regulated.

ASSEMBLYMAN SHUSTED: Through you, Mr. Chairman, do you have any problem with price fixing, as far as fees?

MR. ZOGBY: Well, we have just had an investigation of that in the Philadelphia area, by the way, because that is where most of these people are. We found -- it is not as pure as I am making it sound -- some problems with some of the messenger services. But, price fixing, no, I would say they are about as cutthroat as any operation I have seen. What they have done, in some cases, when a person is in real need, is gouge them.

ASSEMBLYMAN SCHUBER: What is your waiting time now for my registration to come back in the mail after I have gone to one of these AAA offices?

MR. ZOGBY: My measure-- I have two measures I look at. I have asked AAA-- They have a federation in

Pennsylvania, by the way; they are also an unique setup. All the branch offices in Pennsylvania are covered by a federation office in Harrisburg, so they provide messenger service handily for them.

In my office, I measure it from the time it comes in until the time I put it out the door. And in my office, renewals -- just a simple renewal application -- is less than two days. I have done many in one day. Now, the measure they give me from the AAA, is three to four days. They say it is about three to four days by their measurement. That would take some of their handling time.

ASSEMBLYMAN SCHUBER: Do you have inspectors in the field who go out to check these offices, these private agents?

MR. ZOGBY: No. In our Department, we have an Inspector General. If I suspect, or if anyone writes in complaining about this activity, he will go out on complaint. I also do that with the State Police.

ASSEMBLYMAN SCHUBER: How many drivers are there in the State of Pennsylvania?

MR. ZOGBY: We have -- we feel fairly comfortable now in this record; it was a little inflated before -- about seven and a half million.

ASSEMBLYMAN SCHUBER: Seven and a half million?

MR. ZOGBY: Yes, and about -- almost the same number of vehicles.

ASSEMBLYMAN SCHUBER: Let me ask you about the interesting concept you mentioned before about the photo licenses--

MR. ZOGBY: Yeah?

ASSEMBLYMAN SCHUBER: --are the photo licenses separate offices, or are they combined into some of these agents' offices?

MR. ZOGBY: No. The agents are not in that business. When we went into the photo license business, back in '81--

You know, the photograph and the equipment to photograph for licenses is a contracted activity across the country.

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: There are only two viable contractors -- Polaroid and a company called National Business Systems. We had put it out for bid, and National Business Systems won. At the same time, we also put out for bid the operation. Now, what has happened, as part of an exclusive provision in our Administrative Code, the Pennsylvania Industries for the Blind and Handicapped claimed exclusive rights for it, and they got it. I mean, they have businesses in the state, like providing brooms and things like that, some janitorial services.

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: They asked for this one, and they got it. I was a little concerned about how it was going to operate, but after-- Well, we are into our second contract with the equipment, and with the Pennsylvania Industries for the Blind and Handicapped, and it has not risen in price. The cost to Pennsylvanians, per license, is 37 and a half cents a year, and we have controlled it. The reason is because these people are employed on a part-time basis. You may see pluses or minuses for this, but they can control their costs because they pay these people somewhere in the neighborhood of \$4.50 an hour. The fringes are not there because the people work four hours on swing shifts a day. They are people who are happy to be employed, so there is a benefit both ways. We benefit by holding the costs; they benefit by having productive employment and money in their pockets. And, the agencies -- or the workshops -- are happy because they see this as a very productive type of activity for their clients, rather than, you know, just busy work.

So, to our benefit, it has worked extremely well. The control of it was a problem at first, but we have a performance provision in the contract with them. They bend over backwards to prove that they can do it, and they are doing it.

ASSEMBLYMAN SCHUBER: What kind of a performance provision?

MR. ZOGBY: We have performance provisions. For instance, if they-- Well, if they take too many pictures to successfully complete one license, they have to eat that cost. They can't pass it on to us. If, in fact, they pass through a document-- See, the central processing part is the camera part, which you may be familiar with. We process that through Harrisburg; we send it to the motorist. That motorist takes the camera card to the photo location. The operators at that location insert that camera card into the camera and take the picture, where you get the data and the picture simultaneously on your license. If, in fact, the information on that camera card has been altered, and it is an obvious alteration, we fine the Pennsylvania Industries for the Blind and Handicapped \$75 per camera card.

What they did -- because we were enforcing it -- initially when they started getting hit with these bills for \$75 each-- They put out a reward to their employees of \$25 for everyone they successfully got. That cleared up their problem almost immediately.

ASSEMBLYMAN SCHUBER: How many of these offices are there? I know that was in your presentation.

MR. ZOGBY: There are 115.

ASSEMBLYMAN SCHUBER: One hundred and fifteen.

MR. ZOGBY: Some of them are part-time. They will operate out of a satellite area. For instance, in very rural, remote areas, they may only be open, say, on a Wednesday. In the urban areas, they are open Saturdays, too.

ASSEMBLYMAN SCHUBER: Forgive my ignorance on some of the Pennsylvania procedures, because I live in the northeastern part of the State. But, how long has Pennsylvania had photo licenses?

MR. ZOGBY: Since '81.

ASSEMBLYMAN SCHUBER: Since 1981?

MR. ZOGBY: Yes.

ASSEMBLYMAN SCHUBER: The agents you spoke about before -- the different grades of agent--

MR. ZOGBY: Yes?

ASSEMBLYMAN SCHUBER: You say some of them are regulated by statute which requires certain provisions. Are those put out to bid at all?

MR. ZOGBY: No, no bid. Anyone who can meet the criteria can open up.

ASSEMBLYMAN SCHUBER: And the criteria is what?

MR. ZOGBY: Primarily the bonding, which is probably the most expensive part. We have some provisions in the statute and regulation with regard to the office and how it is identified. There are some general provisions about moral integrity, and if they have any kind of misdemeanor, or things like that, that excludes them. The bonding, I guess, is the biggest one.

ASSEMBLYMAN SCHUBER: Who makes the appointment?

MR. ZOGBY: I'll tell you, it is really a process thing. If they meet all of the criteria, there is no way I can reject them.

ASSEMBLYMAN SCHUBER: But, I mean, who has the final say on the appointment?

MR. ZOGBY: I do.

ASSEMBLYMAN SCHUBER: You do, okay.

MR. ZOGBY: But, basically, if they meet everything, it's routine.

ASSEMBLYMAN SCHUBER: And if they meet the requirements, what do you do, enter into a contract with them?

MR. ZOGBY: Well, it's not even a contract, no. It is just that they apply--

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: We then give them the certification.

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: See, the thing they need, especially those who handle plates, is an inventory. We won't sell them to anybody who is not certified to do it.

ASSEMBLYMAN SCHUBER: Right. You don't enter into a contract with them. They are appointed. Is that at will?

MR. ZOGBY: We can cancel it.

ASSEMBLYMAN SCHUBER: At any time?

MR. ZOGBY: Yeah. Well, it has to be for a criteria violation.

ASSEMBLYMAN SCHUBER: For a violation of the criteria.

MR. ZOGBY: Yeah. We hold an administrative hearing.

ASSEMBLYMAN MARTIN: Through you, Mr. Chairman, just to follow up. If the Chairman moves over to the Philadelphia area, if he needs a registration he goes into the AAA office, let's say.

MR. ZOGBY: Well, that is one avenue. He can also write to us directly.

ASSEMBLYMAN MARTIN: Then, to get a driver's license, he has to look for one of these other operations--

MR. ZOGBY: That's right, yeah.

ASSEMBLYMAN MARTIN: --which are open, and find the proper time. He can't combine those into one facility?

MR. ZOGBY: Well, he can, but eventually-- He can go to the same agent, for instance, and get information about driver licensing, but he is eventually going to have to go to a State Police facility -- a driver exam facility -- because the provision we have in Pennsylvania, whether you are a new licensee or an out-of-state licensee, is that we accept your valid license. We are a one-license state. You must surrender your New Jersey license before you can get a Pennsylvania license. We also give you a brief rules-of-the-road test to assure that you are at least knowledgeable on the rules of Pennsylvania.

ASSEMBLYMAN MARTIN: That is a separate office, then, from these offices that just provide the photo licenses. You are talking about three different stops along the route: one for registration, one to get the requirements to obtain a driver's license, and third, you have to go to a facility that provides photo licenses.

MR. ZOGBY: Yeah.

ASSEMBLYMAN MARTIN: Any further stops in order to register?

MR. ZOGBY: There could be, but I'll tell you--

ASSEMBLYMAN MARTIN: You have all the necessary paperwork, insurance or otherwise, that you would need, so if you were stopped you wouldn't be in violation of some--

MR. ZOGBY: Insurance is verified by my office, so you wouldn't need that stuff. That would be part of the application process.

ASSEMBLYMAN SHUSTED: How about a driver test?

MR. ZOGBY: If you are a new licensee, the tests are given at that same facility -- the driver exam center that handles the licensing process. So that, at least, is the same.

ASSEMBLYMAN FOY: That is done through your Division of State Police?

MR. ZOGBY: Yeah. They are a department in Pennsylvania. However, over time, they have become our agents in the driver exam process.

ASSEMBLYMAN FOY: Let me ask a couple of questions, if I may, Mr. Chairman.

ASSEMBLYMAN SCHUBER: Go ahead, Tom.

ASSEMBLYMAN FOY: First, I note that your consultant's report contains seven alternatives, of which you made the selection to go toward a private-sector operating agent system. Would it be possible for us to get a copy of your report?

MR. ZOGBY: Absolutely.

ASSEMBLYMAN FOY: I think it would be very useful--

ASSEMBLYMAN SCHUBER: For the Committee.

ASSEMBLYMAN FOY: --for the Committee to have that, because we could look at the kinds of issues that were addressed in Pennsylvania and see how they might relate to New Jersey's particular problems.

One of the questions I have is, in your existing private operation -- the messenger services and others -- do you have any people, for example, like Pep Boys or Penn Jersey auto stores, or people like that, who are engaged in those services?

MR. ZOGBY: The only way outfits like that are engaged is through the vehicle inspection program. Some of those types of facilities are also certified by us to be the official inspection stations.

ASSEMBLYMAN FOY: They don't serve as messenger services or other types of agents?

MR. ZOGBY: No.

ASSEMBLYMAN FOY: It would seem to me that it would be like a pharmacy, you know, if at the back of your store you had all the state programs. People could come in, walk through, pick up some simonize, pick up something else. With your new system, have you taken applications yet from private-sector people?

MR. ZOGBY: No.

ASSEMBLYMAN FOY: That hasn't started?

MR. ZOGBY: That has not started. In fact, as I mentioned, until we have our data processing systems finally redesigned, I won't even consider that.

ASSEMBLYMAN FOY: Right. Basically, it is based upon what their financial capability is, the ability to get a bond and demonstrate some financial viability, and then, I assume, you do some sort of a criminal background check on them.

MR. ZOGBY: Yeah. Now, on this new system, it is going to be more than just the bonding and the other criteria, because what they are going to have to do is come up with some capitalization money, too. To be able to tie into the system, they are going to have to have, at minimum, a PC -- that is, a personalized computer. They may even have to have a mini-computer, depending on the size of the office. They will then have to tie it into our communication system. Now, all that capitalization cost is going to be theirs.

ASSEMBLYMAN FOY: Do you require any kind of minimum design standards in terms of the type of facility they are supposed to have -- it ought to have a desk, the place ought to be clean, you know, commodious to the public, and that kind of stuff? Is that all regulated by you?

MR. ZOGBY: That is all by regulation, yes, and, in fact, we do close them.

ASSEMBLYMAN FOY: Do you also administer the inspection system for your state?

MR. ZOGBY: Yes.

ASSEMBLYMAN FOY: The Motor Vehicle inspection system?

MR. ZOGBY: Yes.

ASSEMBLYMAN FOY: We have a dual system here in New Jersey, which we have just extended.

MR. ZOGBY: I know.

ASSEMBLYMAN FOY: Have you had problems with Motor Vehicle state station owners, you know, gas station owners, as far as either price gouging or unnecessary repairs, or things like that?

MR. ZOGBY: We have run the whole gamut. A couple of things. First of all, we had trouble with the Emission Program because we went private garage rather than franchise, at least in their minds. The General Assembly did set very specific limits on the costs and some other things they can do in the Emission Program. They complained that they couldn't do it.

It is a voluntary program, but still they felt compelled to stay in with it.

ASSEMBLYMAN FOY: You are all private; you don't have state stations.

MR. ZOGBY: I don't have any state stations, no. They are just state controlled. So, the service station associations, in fact, have a large campaign against the Emission Program. I wasn't too crazy about it myself, but we had to have it, so we put one in. It is operating now two years and, while they are not extremely happy with it, it is operating.

ASSEMBLYMAN FOY: Are you in compliance with Federal EPA emission requirements?

MR. ZOGBY: Well, as far as the operation of the system is concerned, Philadelphia is not in compliance with the air ambient quality levels, so we have to maintain the system there. Probably always will, according to their projections.

Now, on the private garage side, I am constantly involved in hearings with private-sector garages because we close a good many of them for violation of the rules, whether it is unreasonable costs, or whether they do a faulty inspection. I mean, one of the problems we have is what they call the "Lick and stick operations," that is, they don't actually do an inspection; they just give them a sticker. It has been alleged that on the streets of Philadelphia, you can get a sticker at any time in the private sector.

ASSEMBLYMAN FOY: Or anything else, for that matter.
(laughter)

MR. ZOGBY: In any event, we are continually involved in those kinds of confrontations with members of the industry. I guess the major ones come when we actually tell a dealer we are going to have to close his inspection station. Now, the new car dealers, especially large ones--

ASSEMBLYMAN FOY: Do you anticipate in the paperwork operations any of the major oil companies getting involved so that their service stations would be providers of these various services? I mean, right now you can go into an AM/PM and get a quart of milk at a gas station.

MR. ZOGBY: Yeah.

ASSEMBLYMAN FOY: I wonder if it will soon be to the point where we can get our license renewed and things like that.

MR. ZOGBY: I'll tell you, again, under the private-sector type, market-driven service orientation, I, myself, can find nothing wrong with that.

ASSEMBLYMAN FOY: Right.

MR. ZOGBY: If, in fact, they meet all of the criteria and they are that enterprising, why not?

ASSEMBLYMAN FOY: All right. Do you have to be a Pennsylvania resident to do this? I might set up a little corporation. You know, I have a home in Bucks County, and I might run a little operation out of there.

MR. ZOGBY: Well, you could. Yeah, you could. I think the only area where you are required to have Pennsylvania residency is in the inspection program, because you must have a Pennsylvania license.

ASSEMBLYMAN FOY: Okay.

MR. ZOGBY: A Pennsylvania driver's license, and you have to be a resident to do that.

ASSEMBLYMAN SCHUBER: His name is F-O-Y. Look for him.

MR. ZOGBY: I wonder if he is going to beat me to the business.

ASSEMBLYMAN MARTIN: When you spoke about this messenger service, for the fee they charge you, are they providing any real service other than just-- You talked about them. You said that people come in and they have a form there, which they fill out, and then the service company sends it to Harrisburg. What I don't understand is, why can't a person fill out the form and send it from their home?

MR. ZOGBY: They can.

ASSEMBLYMAN MARTIN: What information, or what service are these people actually providing at these facilities?

MR. ZOGBY: Okay. I think one thing we have to establish is our definition of service. There are many people who go to -- what is the tax -- H & R Block-- They go to H & R Block to fill out a 1040A. I have to assume he is providing a service to a certain segment of people. The tax services do the same thing. As I mentioned earlier in my testimony, 25% of our population -- that is not only Pennsylvania; that is nationwide -- are functionally illiterate. They cannot fill out our forms. They feel more secure in going to these offices to make sure the form is filled out correctly.

There is another segment of the population that always waits until the last minute. That is sort of the battle cry of Motor Vehicle administrators. In any event, this group services those people.

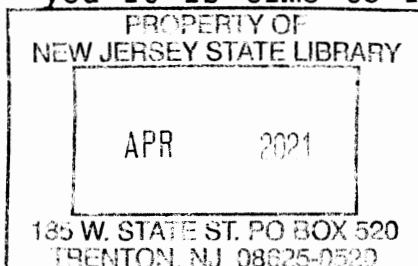
I'll tell you another area that I haven't discussed here. The General Assembly district office is almost virtually a messenger service. It is not established as one. The citizens in that area go to their General Assembly member and say, "Hey, how about getting this"--

ASSEMBLYMAN FOY: What a nightmare that would be.

MR. ZOGBY: Well, to some it is a nightmare; to others, it gets them reelected. But, it is a service. It is a service where the motorist feels comfortable in going to someone he or she can eyeball, rather than putting a 22-cent stamp on it.

ASSEMBLYMAN MARTIN: If they need to get the form, though, to send to Harrisburg--

MR. ZOGBY: Well, see, there are a couple of ways. First of all, if you are in our system to begin with, we send you the application in the mail. It is also a prompter to tell you it is time to renew. Now, if you are not, then you have to



so somewhere to get it. You can go to the State Police; you can go to some other types of state offices; you can go to these messenger services.

ASSEMBLYMAN MARTIN: And, if you go to a legislative office, or if you go to the State Police, we will assume that there is no fee charged.

MR. ZOGBY: There is no fee charged.

ASSEMBLYMAN MARTIN: But, if you go to a private person, then they are entitled to charge whatever they wish to.

MR. ZOGBY: Whatever the traffic will bear.

ASSEMBLYMAN FOY: Let me learn a little bit about this legislative office operation. That is a very dangerous idea, potentially. In Pennsylvania, the legislators are part-time, is that correct?

MR. ZOGBY: Yeah.

ASSEMBLYMAN FOY: But, do they have a full-time staff?

MR. ZOGBY: Yeah.

ASSEMBLYMAN FOY: Okay, so they have a full-time staff which mans the office.

MR. ZOGBY: We have 253 General Assembly members; that is, 203 House and 50 Senators.

ASSEMBLYMAN FOY: Okay. And, do most of those provide these services through their offices?

MR. ZOGBY: I don't think they would dare send it away. Now, some encourage it.

ASSEMBLYMAN FOY: Okay. For example, in New Jersey, we are able to make people notaries, in a sense. They ask us for notary applications. We sign off on them and send them in. So, in a sense, it is similar to that, only it may be a more frequent occurrence. But, they actually have an office that is paid for by the state and staffed by full-time people.

MR. ZOGBY: They have home offices that they have part-time people staffing.

ASSEMBLYMAN SHUSTED: May I ask a question? Assemblyman Foy referred to Pep Boys, and places like that. How would you license them, through the manager, or would they be licensed--

MR. ZOGBY: Okay. The way we do it right now-- The only avenue I have to compare it with is the inspection station. We license it to the company, and the manager in charge is the person by which we identify it -- either the manager in charge or, if it is a smaller station, a private-- Our sanctioning system relates to who is responsible and how we operate the sanction. If a mechanic in the larger stores, like, for instance, a Sears, or a K Mart, or something like that-- If the manager is involved in an inspection that is considered faulty or improper, we will close down the station. If it is a mechanic who did something, and they could show that the manager had no knowledge of it, or didn't condone that activity, then we sanction the mechanic. We take away his certification. So, we have to know who the manager is.

ASSEMBLYMAN SCHUBER: Assemblyman Miller?

ASSEMBLYMAN MILLER: What would the cost be for a driver's license as far as the state fee is concerned in Pennsylvania?

MR. ZOGBY: The state fee is \$20 for a four-year license, plus \$1.50 we tacked on because of the photo. So, it is \$21.50 for four years. Now, one of the things you have to recognize is that that is not what it costs us. It is a revenue generator.

ASSEMBLYMAN SCHUBER: I understand that.

ASSEMBLYMAN MILLER: Then, of course, the fee of the--

MR. ZOGBY: The tax service is on top of it.

ASSEMBLYMAN MILLER: That is on top of that.

MR. ZOGBY: Yeah.

ASSEMBLYMAN MILLER: That floats, depending upon whatever the market--

MR. ZOGBY: Yeah. Again, at AAA, especially for members, I don't think they charge at all.

ASSEMBLYMAN SCHUBER: That would probably fit in with their procedures -- throughout the country, I think.

MR. ZOGBY: That's right.

ASSEMBLYMAN MILLER: And all the revenue the Department pulls in is dedicated to transportation?

MR. ZOGBY: No.

ASSEMBLYMAN MILLER: Motor Vehicle operations?

MR. ZOGBY: No. See, I am in Transportation, and I collect both the motor vehicle fees and the sales tax on automobiles. The sales tax goes into the general fund. The motor vehicle fees go into the Motor License Fund.

ASSEMBLYMAN MILLER: I see, and that takes care of your roads -- your infrastructure -- the DOT for Pennsylvania.

MR. ZOGBY: Right.

ASSEMBLYMAN MILLER: Also the operation of the Department of Motor Vehicle?

MR. ZOGBY: And our operation.

ASSEMBLYMAN MILLER: What does that amount to in dollars?

MR. ZOGBY: Our state budget last year was \$45 million.

ASSEMBLYMAN MILLER: Forty-five million.

ASSEMBLYMAN SCHUBER: That is 7.5 million drivers, right?

MR. ZOGBY: Seven and a half million drivers. That \$45 million also funds, aside from the process -- you know, Driver Licensing and Motor Vehicles -- it funds my Safety Program people, and some engineers in our field offices who do safety work.

ASSEMBLYMAN MILLER: You're saying \$45 million to run your department in your budget? What is the gross you take in that the state gets, as far as your DOT is concerned?

MR. ZOGBY: I take in a billion dollars. It is almost split in half. Half is the General Fund and half is the Motor License Fund.

ASSEMBLYMAN MILLER: I see. Interesting.

ASSEMBLYMAN MARTIN: May I--

ASSEMBLYMAN MILLER: I just want to ask one other question.

ASSEMBLYMAN MARTIN: Oh, I'm sorry.

ASSEMBLYMAN MILLER: Your computers are going so well. Do you rent time? (laughter)

MR. ZOGBY: No, we don't.

ASSEMBLYMAN MILLER: I thought maybe we could use a little bit on this side.

MR. ZOGBY: Well, that's not true. Of course, we have some very large pieces of hardware, if that is of any--

ASSEMBLYMAN SCHUBER: How long have you been computerized?

MR. ZOGBY: Pardon me?

ASSEMBLYMAN SCHUBER: How long have you been computerized?

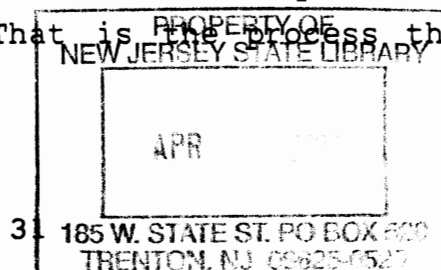
MR. ZOGBY: We have been computerized since 1971.

ASSEMBLYMAN SCHUBER: Since '71?

MR. ZOGBY: Yeah. But -- and these are some of the problems I think have happened to us all -- we had what they called an Addressograph System in Pennsylvania -- as many states do.

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: I think Frank Sencindiver will tell you the same thing. That is when they used to have metal plates with everybody's name and address on them. We took that system -- that process -- and automated it, and never changed the procedure. So they went to very sophisticated hardware, for the time, in '71, but the procedure was very labor intensive and not too sophisticated. That is the process that existed when I took over.



The part you asked about, "Are we doing this in-house?"-- Many of the efficiencies that I have realized -- my staff and I -- over the last seven and a half years, were done in-house. What we contracted for now was a major redesign of those systems to give me greater efficiencies. But, we have taken that original system and, as I said, we combined the sales tax Motor Vehicle fees as an automated system. Sales tax was collected by Revenue; I collected the Motor Vehicle fees. We both handled the same piece of paper twice. So, I sold them on the idea of letting me do it, and I would do it cheaper for both of us. And we did.

ASSEMBLYMAN SCHUBER: Jack, why don't you stay with us? Your train isn't until what, 12:25?

MR. ZOGBY: Yes, 12:25.

ASSEMBLYMAN SCHUBER: Okay. Why don't you stay with us. What I am going to do is, I am going to ask Frank Sencindiver to come up, too, and tell us about Virginia. Maybe both of you could -- like a quiz show, or a game show -- field questions from everybody here on the Committee.

I am now going to ask Frank Sencindiver, who is the Deputy Director of the Department of Motor Vehicles for the State of Virginia, to come on up. Frank, thank you for coming. We appreciate it very much. Why don't you begin your presentation?

F R A N K S E N C I N D I V E R: Thank you, Mr. Chairman and members of the Committee, and good morning again. I have no written, prepared statement. I thought I would just speak extemporaneously and tell you a little about the Commonwealth of Virginia. It's odd that both Virginia and Pennsylvania are both Commonwealths and you've got both of us here this morning.

ASSEMBLYMAN FOY: That's right. You're lovers, and they're friends.

MR. SENCINDIVER: I do bring you greetings from Virginia. I appreciate being asked to come and speak before you.

I will soon wind up 39 years of employment with the Department of Motor Vehicles, and I have seen many changes over the years. When I first came with the Department of Motor Vehicles, we had 800,000 vehicles registered in Virginia, and we had a manual system. We had an annual renewal system. Every March 15 to April 15 we had to renew all of these licenses manually, and consequently we had no meaningful records until about June or July when we got all this stuff filed manually.

Jack was very correct in saying we had the Addressograph System, too. We had a renewal card that was in five sections. People would bring that in to us; we would stamp it with a date stamp and give them one section of it. The rest of it would go back to Richmond, where it would be filed, hopefully in the right order. So, we changed that. At that time, we only had 10 branch offices in the entire state. Now we have 65 branch offices, and we are beginning to give the people of Virginia, we feel, some service.

ASSEMBLYMAN SCHUBER: How many drivers?

MR. SENCINDIVER: We have about four and a half million drivers, and about four and a half million vehicles. That seems to run pretty much with all states, I believe. We are a little bit smaller than Pennsylvania in number. Oh, that all states did things exactly the same way, but they don't, and, of course, we all think we have the best system. But, I would like to tell you about ours this morning.

In 1970, we had a new commissioner who came to Virginia, and he was able to get some money from the General Assembly in Virginia to build some branch offices and, indeed, we are still building some branch offices. We are on-line with our main computer in Richmond at all of our branch offices. We issue the drivers' licenses immediately over the counter. We issue the title immediately over the counter, those which do not have a lien on them. Of course, we send those directly to the lien holder.

Our drivers' licenses are photo licenses. We started that in 1969. Prior to 1932, there were no drivers' licenses in Virginia. In 1932, you could get a driver's license that first time if you could sign a statement that you had driven 500 miles without an accident. I'm sure there were plenty of people who signed that statement who had never driven, probably, but they got a license. And, indeed, we never saw those people again until 1969, when we went to the photo license. Some of them, they allege, came in with seeing eye dogs and swore they never drove; only used it for identification.

But, at any rate, we went from a three-year license, at that time, to a four-year license. What that did-- It really worked to our benefit; it gave us an off year every four years, and we were able to use that off year to train our license examiners a little bit better.

January a year ago, we went to a five-year license, and our operator's license now costs \$12 for five years. That means we will only have to see them once every five years, of course.

What we hope to do is, maybe by the time we get all these people in this five-year sequence-- What we have designed into the system is that the license will expire when your birth date is divisible by five, so the license will expire when you are 25, 30, 35, 40. You will know when those dates roll around that you are going to have to renew your license. We hope we will have an even system where we can renew about a million drivers' licenses a year.

Getting back to the license plates, we now have a staggered system, where we renew one-twelfth of all of our license plates every month. We renew about 400,000 every month. We have a little crunch at the end of every month in our branch offices because people like to wait until the last minute. I have tried -- through the news media and everything

else -- to get people to come in when we were not so busy during the middle of the month, but I think they just like to hold onto their money as long as they can. I think there is a certain amount of camaraderie that they have standing in line. They say, "Well, here we are again at the end of the month." There are people like that, so I'm told.

We really feel that we are offering our citizens some service now. We went to computers in 1963 for drivers' licenses, and in 1965 for our vehicles. We handle both the operator's license -- the entire part of it -- and the vehicle side of it.

ASSEMBLYMAN SCHUBER: Have you updated your computer system at all?

MR. SENCINDIVER: We are in the process of doing that right now. We are still with the same programs we had back in 1963 and '65, and they have been passed and added to. We are getting ready a request for a proposal to redesign our system. Right now, we have two different systems. We have a vehicle system and a driver system. If I have a driver's license and I own a couple of cars, I am listed in the computer three different times -- once for my driver's license, and once for each one of those cars. What we want to do is to only have me listed in the computer once, and have it show my driver's license and all the vehicles I own.

There were many things I thought of while Jack was talking that I could tell you about. We collect about \$775 million a year, because we also collect the gasoline tax in Virginia. We have a sales and use tax on the purchase of a car -- 2% of the purchase price of the car. There is no allowance made for a trade-in, so it is 2% of the purchase price of the car. Our general sales tax in Virginia is 4%, and it was felt, when the sales tax was first put into effect in Virginia, that rather than charge 4% and allow for a trade-in, that we would just say 2% on the sales and use tax on automobiles, and not

have to worry about computing the trade-in allowance. That has worked out very well.

Our budget is about \$75 million. We try to operate at 10% of what we take in, and all of our funds go to the Highway Construction and Maintenance Fund in Virginia for building and maintaining the roads in Virginia. One dollar and 33 cents of every driver's license fee, and \$3 for our learner's permit fee do go to the Department of Education. They use that for driver education in the high schools, and we think that is certainly Motor Vehicle related. We hate to see that money go, but it is going for a worthwhile purpose, we believe.

We have 1803 employees. I don't want to mislead you by saying we don't have any contractual license agents. We do. We have about 50 or 55 left. But, most of our business comes in from our branch offices scattered throughout the state.

ASSEMBLYMAN SCHUBER: Would it be fair to say then, Frank, that you are going to a state-run system? Is that what you are gradually evolving to?

MR. SENCINDIVER: No, I don't think we will ever get there. I think there will always be a need for the license agent -- contractual license agent -- out in the rural areas, where there is not enough population to support a full-service branch office. Our furthestmost branch office away is in Jonesville, Virginia -- which means nothing to you all, I'm sure -- which is further west than Detroit, Michigan. It is closer to--

ASSEMBLYMAN SCHUBER: The Tennessee border?

MR. SENCINDIVER: Oh, yes, 56 miles from Knoxville.

ASSEMBLYMAN SCHUBER: Yeah.

MR. SENCINDIVER: So, it's way out there. They can do anything at that branch office that we can do in Richmond -- deliver a title, get a driver's record up for insurance purposes, or whatever.

ASSEMBLYMAN SCHUBER: Are they hooked into a computer?

MR. SENCINDIVER: They are hooked into our computer in Richmond, yeah, on-line. When someone comes to a branch office in our Department to get a license plate and a title, the information is keypunched, and it goes to Richmond. The computer then, in Richmond, prints out the registration and title. So, it is already updated. When he leaves that office, if he is involved in a bank robbery or something and a police officer says, "I got a license number here, and I want to find out what it is," it is already in the computer, before he ever leaves that office.

So, naturally, we think we have a good system. It wasn't always like this. We have come a long way, I believe, in trying to give some service to the public.

ASSEMBLYMAN SCHUBER: Frank, what is the average waiting time in an agent's office for the processing of a person's documentation, say, on a registration or a license, absent the month-end crunch?

MR. SENCINDIVER: We have done some figures on that. For the driver's license, it is about 12 minutes, because we use the Polaroid system, and that takes a 60-second wait for the picture to develop. Again, we are on-line there. The computer prints out the printed part of the license, and that is about 12 minutes. I would say anywhere from 15 to 20 minutes for the title and license plates.

ASSEMBLYMAN SCHUBER: Your photography is done in the agent's office?

MR. SENCINDIVER: Yes.

ASSEMBLYMAN SCHUBER: Whether it be private or public?

MR. SENCINDIVER: No. The contractual license agents only handle license plates. All of our drivers' licenses are handled by us. We have some traveling examining stations that go around to the smaller localities. They may be there once a week, or once a month in some of the localities, but they are our employees, and they set up there and work for us.

ASSEMBLYMAN MARTIN: Kind of like a library loan system, a mobile unit?

MR. SENCINDIVER: Yes, sort of like a mobile unit, yeah, a traveling system. We only have about 12 of those left in the state because we have gradually blanketed the state so that nobody has to drive more than 25 or 30 miles to get to one of our offices.

ASSEMBLYMAN FOY: Do any of your legislators get involved in issuing any of these?

MR. SENCINDIVER: No, they don't.

ASSEMBLYMAN SCHUBER: How about the municipalities and the counties? Do they play any part in the process?

MR. SENCINDIVER: We have a few commissioners of revenue, or a treasurer's office, in a locality that will be our contractual licence agent, but many of them are grocery stores or hardware stores. It is something that supplements their income. We pay them -- I was telling Mr. Miller this morning -- on a percentage basis. It is a graduated fee. We pay them 3-1/2% on the first \$250,000 of gross revenue that they collect; 3% on the next \$250,000; 2% above a half a million; and, 1% above one million.

ASSEMBLYMAN FOY: You have a dedicated revenue going into the system. It is not a 6% tax on the automobile? The regular sales tax does not apply to automobiles?

MR. SENCINDIVER: No, no.

ASSEMBLYMAN FOY: A 2% tax on a \$20,000 car would be a \$400 sales tax that would be dedicated to your Department.

MR. SENCINDIVER: Right.

ASSEMBLYMAN FOY: You then dedicate that out when you have a surplus. Is that correct?

MR. SENCINDIVER: No, no. All of this money goes into the Highway Construction and Maintenance Fund, and the Highway Department--

ASSEMBLYMAN FOY: Okay. It doesn't go into the General Fund operating the State of Virginia?

MR. SENCINDIVER: Oh, no. No, sir.

ASSEMBLYMAN FOY: It is dedicated to that highway fund.

MR. SENCINDIVER: A special fund, right.

ASSEMBLYMAN FOY: Very interesting. A dedicated source of revenue from the public to you--

MR. SENCINDIVER: Yeah.

ASSEMBLYMAN FOY: --then a dedicated use of those funds.

MR. SENCINDIVER: Right.

ASSEMBLYMAN FOY: But that is really just the surplus after the deduction for your operational expenses. Is that correct?

MR. SENCINDIVER: We operate on a budget like every other department in the state, but we do come from the special highway fund.

ASSEMBLYMAN FOY: Okay.

MR. SENCINDIVER: The Highway Department is the one that builds and maintains the roads. They operate out of that, and we operate out of that. Those are the only two agencies that operate out of that special fund. Everybody else operates out of the General Fund.

ASSEMBLYMAN FOY: How is the fund? Is it pretty solvent?

MR. SENCINDIVER: Oh, sure, yeah, \$775 million, and we predict that by the 1990s--

ASSEMBLYMAN FOY: You are giving us some ideas, you know.

MR. SENCINDIVER: --we will probably have \$800 million, or \$850 million in this fund.

ASSEMBLYMAN FOY: That's terrific.

ASSEMBLYMAN SCHUBER: How about auto inspections? Do you do auto inspections?

MR. SENCINDIVER: Auto inspections are handled by the Department of State Police, which is a separate agency from the Department of Motor Vehicles. They are contractual garages.

ASSEMBLYMAN SCHUBER: Oh, they contract that service out to private garages?

MR. SENCINDIVER: Yes, they do.

ASSEMBLYMAN SCHUBER: You don't run a state facility that does automobile inspections?

MR. SENCINDIVER: No. Our state is just so wide across the bottom-- It would cost a lot of money; we could do it, but we just figure we don't have the money to do it.

ASSEMBLYMAN SHUSTED: Are they done annually -- your inspections?

MR. SENCINDIVER: It is done annually now. It was semiannually for years and years, but now it is done annually.

ASSEMBLYMAN SCHUBER: Let me ask you, Jack-- I want to ask you the same question I just asked Frank. Do the municipalities or the counties play any part in your system?

MR. ZOGBY: No.

ASSEMBLYMAN SCHUBER: None at all?

MR. ZOGBY: None at all. One of the proposals of that decentralized service contract-- By the way, I will send that to you.

ASSEMBLYMAN SCHUBER: Yes, I would appreciate that.

MR. ZOGBY: One of the alternatives was to have county offices. That continually came up in the General Assembly.

ASSEMBLYMAN SCHUBER: We have that now; we have an experimental station in Atlantic County, which we have taken testimony on here. The question before us is whether that can be made applicable -- Atlantic County tending to be more rural -- in a more urban county. I don't know. That is something we are looking at at the present time.

But, the Atlantic County experiment, from the testimony we have taken anyway, appears to have been successful. You know, that is something under an ongoing review at the present time.

MR. ZOGBY: May I just add something?

ASSEMBLYMAN SCHUBER: Sure; certainly.

MR. ZOGBY: Is it all right with you, Frank?

MR. SENCINDIVER: I have some other things I want to say, but you go right ahead.

ASSEMBLYMAN SCHUBER: We'll get you both in. Go ahead, Jack.

MR. ZOGBY: One of the things that came to my mind when we were discussing this -- and I may have misled you on a couple of things-- First of all, while I was touting the centralized system--

ASSEMBLYMAN SCHUBER: Yes?

MR. ZOGBY: --it is something we grew up with in Pennsylvania, and I think you have to remember that. What we are about now, today, is really controlling our costs. I can't deny the service that branch offices provide. I have seen Virginia's facilities, and they do provide a service.

Another state that I know of which you may be interested in, is Wisconsin. Wisconsin has really-- You know, when you talk about some things that are state of the art, Wisconsin is really there. Most of the things we do are by necessity. I think you are in that point now, where certain things can happen.

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: The other thing I may have misled you on is this idea of people going to our General Assembly members, and I think you understand this in every agency. We commit a lot of transactions in processing something as simple as a driver's license, or a vehicle registration. In Pennsylvania, that translates into something like 26 million transactions a year, not unlike New Jersey, because you are close to our level of drivers and vehicles. If we have a 1% error rate -- we do -- we are talking about 250,000 errors. Those errors are happening to individuals; they are happening to motorists. Those are the people who go to the General Assembly. They usually go to the General Assembly to intercede for them.

ASSEMBLYMAN FOY: I see. Then I am way ahead of the game. My biggest volume of mail is about our Division of Motor Vehicles -- more than anything else.

MR. ZOGBY: There are some General Assembly members who actually solicit this type of work, but they are few and far between.

ASSEMBLYMAN FOY: We are going to take some field trips. Do you know much about Hawaii's Motor Vehicles? (laughter)

ASSEMBLYMAN SCHUBER: Let me ask you, gentlemen -- both of you -- other than your own states, if you were to point to another state that you thought, in the field of Motor Vehicles, had a reputation for having a state-of-the-art system, so to speak, or a good system that works both from the point of view of efficiency and service to the public, what would you tell us? Now, you just said "Wisconsin." Would that still be true, Jack?

MR. ZOGBY: Yeah, Wisconsin and Virginia, from my point of view.

ASSEMBLYMAN SCHUBER: Okay. Frank?

MR. SENCINDIVER: Well, of course, we like Virginia's system. We designed it.

ASSEMBLYMAN SCHUBER: Right. But, no, your own state excluded.

MR. SENCINDIVER: I'm not familiar with Wisconsin. I can go to North Carolina. Of course, we are in a different region--

ASSEMBLYMAN SCHUBER: Yeah, a different region.

MR. SENCINDIVER: --than Jack is. I think, as far as Virginia is concerned, if we felt we could do it better, we would change. To hear this gentleman say that all of his mail concerns DMV complaints-- That was true in Virginia, too, and that is the reason the Governor brought in a new Motor Vehicle Commissioner and charged him with giving some service and,

indeed, we are giving some service, but it does cost money. Our budget is \$75 million, where we have 1800 employees, and I heard Jack say that his budget was \$45 million, and how many employees do you have, Jack?

MR. ZOGBY: Right now, it is 1100, and going down.

ASSEMBLYMAN SCHUBER: I think ours was up to--

MR. ZOGBY: About \$80 million?

ASSEMBLYMAN FOY: No, I'm talking about employees.

ASSEMBLYMAN MILLER: That could be employees, too, right? (laughter)

ASSEMBLYMAN SHUSTED: About 1900, I thought.

ASSEMBLYMAN SCHUBER: I thought we were over 2000.

ASSEMBLYMAN FOY: We're like 2600, I think. (A discussion among Committee members at this point.)

MR. ZOGBY: We had, at one time-- Originally, all of this activity was labor intensive, quite frankly, for a reason. We had, just in the Bureau of Motor Vehicles -- that is one of my three bureaus -- we had 2200 people. Today, I have less than 800.

ASSEMBLYMAN FOY: That was back when you were doing manual processing?

MR. ZOGBY: It was in the Addressograph days, but even when they automated, they were still retained. It took some time before, you know, they started saying, "We don't need this many."

MR. SENCINDIVER: We had a little bit of that, too. We had what was known in our office as "Queen's Row." They had these ladies who sat there, and all they did was take a piece of paper and stamp it and pass it over.

MR. ZOGBY: Queen's Row, huh?

MR. SENCINDIVER: And that was it. They finally retired, and we were able to--

MR. ZOGBY: To sort of take it off the track of which system is better, perhaps, and maybe think of Motor Vehicle

administration as an industry -- because every one of the jurisdictions have one; not only the states, but Canada-- I think you have to take a long-term view of it, too. What I see happening in Pennsylvania-- I talked about decentralized services because I have to acknowledge that Pennsylvania motorists are not at least given the quality of service that you might have with branch offices. That is why I talked about this decentralized approach.

What I think could happen in the future is that eventually, a lot of processing can be done without a personal interface, similar to the money access machines. Eventually, you are going to see registrations and drivers' licenses that have all of the information about us on a microchip. That microchip can be inserted into a machine, and the transaction can take place there for upgrading and updating. That is what I see for the long-term.

ASSEMBLYMAN SCHUBER: You think that Wisconsin has a decent system.

MR. ZOGBY: They are continually upgrading and updating the electronic transfer of information. They will have -- probably by the end of this year -- no title. It will be a paperless title system. All the information will be electronic. Whether a bank wants to verify it, or the owner, it will be on an electronic record.

ASSEMBLYMAN SCHUBER: And, Frank, you think North Carolina has a good system, opposite your own.

MR. SENCINDIVER: Well, yeah, we think North Carolina is good.

ASSEMBLYMAN FOY: I used to live there. They have an excellent system.

ASSEMBLYMAN SCHUBER: North Carolina, this time of year, is pretty good, I think, isn't it, Frank?

MR. SENCINDIVER: Well, I certainly invite you, and anyone else you want, to come to Virginia. We would certainly

be happy to show you our process down there. It is impressive. Our branch offices-- We own some of the buildings; we lease some of the buildings. I failed to mention one thing. In northern Virginia, which is just booming-- About 25% to 30% of the whole population of the state is in northern Virginia. We would not have been able to have survived there at the end of the month had we not gone to what we call "Express Offices." What they are-- There are two huge shopping malls there, and we opened up an Express Office in each one of those malls. They have the same hours as the malls. They are open from 10 o'clock in the morning until 9:30 at night, Monday through Saturday. They are for renewals only, of either license plates or drivers' licenses. If you want to get a newly registered vehicle, you have to go to one of our branch offices. But, that really has helped.

ASSEMBLYMAN SCHUBER: Those ones in the malls -- are they operated privately or publicly?

MR. SENCINDIVER: They are operated by DMV.

ASSEMBLYMAN SCHUBER: By the DMV?

MR. SENCINDIVER: Yeah.

ASSEMBLYMAN SCHUBER: You don't have any stations in Virginia Beach, do you?

MR. SENCINDIVER: We have a mall in Virginia Beach -- an office there -- and we have one office in Virginia Beach and another office we are getting ready to build there.

ASSEMBLYMAN MARTIN: How about Hershey Park?

MR. SENCINDIVER: Our Governor and the General Assembly realized that, for the most part, new residents to the state-- The first contact they have with state government is with the Department of Motor Vehicles. We had a reputation at one time of: "Wouldn't give you the time of day if they had a watch on both arms." We have changed that around a little bit. The people now, and the press, and everybody say that you do get good service from DMV. We try to impress upon our

employees that, if it ever gets turned around and headed that wrong way again, we are never going to change it. So, we get letters of commendation for our people where they have gone out of their way to help somebody. We share those with the employees, and that just seems to spur them on to doing something better the next time.

ASSEMBLYMAN SCHUBER: Well, that is our concern here, obviously. In a corridor State like New Jersey, with as many vehicles as we have, we are kind of in-between both of you, both geographically and in the number of vehicles we have. I guess ours are around six million. The Division of Motor Vehicles is the first contact that many people have with our State, and we have a genuine concern about really bringing our system up into the twentieth century, and the twenty-first century, I suppose.

MR. SENCINDIVER: It will be here soon, yeah.

ASSEMBLYMAN SCHUBER: Yeah. Bob, I know you had some questions. Mr Martin.

ASSEMBLYMAN MARTIN: In two areas. First, you both touched upon personnel. Mr. Zogby, you said that in Pennsylvania you have some part-time employees. With your service in Virginia, Mr. Sencindiver, do you employ both full-time and part-time people?

MR. SENCINDIVER: Our 1803 are full-time positions. We do employ some part-time positions in the northern Virginia and Tidewater area offices because of the heavy volumes there. A lot of them are housewives who like to work between ten and three and be home when the kids come home from school. So, we have about 100 part-time employees statewide.

ASSEMBLYMAN MARTIN: Are they Civil Service positions?

MR. SENCINDIVER: No, they are just paid a wage.

ASSEMBLYMAN MARTIN: How does one acquire such a job?

MR. SENCINDIVER: Make an application.

ASSEMBLYMAN MARTIN: To the branch office, and then the manager makes a selection?

MR. SENCINDIVER: Right.

MR. ZOGBY: I think I may have misled you. The part-time positions I was speaking of are contracted. I have very few part-time positions. I have summer help.

ASSEMBLYMAN SCHUBER: Whatever you do is contracted?

MR. ZOGBY: The photo-license offices -- as I told you -- are handled by the State Industries for the Blind and Handicapped. They are part-time positions.

ASSEMBLYMAN SCHUBER: Right.

MR. ZOGBY: I don't have part-time positions other than that.

ASSEMBLYMAN MARTIN: Those you have who are full-time working for the Commonwealth -- are they under Civil Service?

MR. ZOGBY: Some are. The majority of them are covered by union -- the AFSCME Union, the American Federation--

ASSEMBLYMAN MARTIN: Okay. If one were to seek a position in one of the offices, is that-- Who handles the selection process?

MR. ZOGBY: The selection process goes a couple of ways. First of all, non-Civil Service applicants are sent to a Central Division of State Employment. When I have a need-- For instance, say I want an entry level clerical position, they will send me over, perhaps, a dozen applications, and then we select from those dozen.

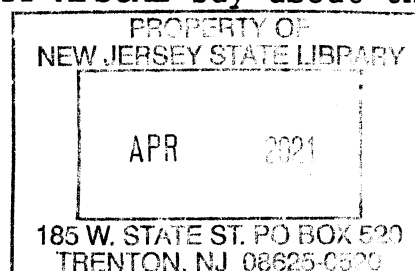
ASSEMBLYMAN MARTIN: So, you will select for positions out in Wilkes-Barre or someplace?

MR. ZOGBY: I don't have positions in Wilkes-Barre. Remember, I'm centralized. Every one of my employees are in Harrisburg.

ASSEMBLYMAN MILLER: What are you going to do when you decentralize?

MR. ZOGBY: That will be private. I won't have employees.

ASSEMBLYMAN FOY: What will AFSCME say about that?



MR. ZOGBY: A lot.

ASSEMBLYMAN FOY: How about Virginia, are you unionized down there?

MR. SENCINDIVER: No, no.

ASSEMBLYMAN SCHUBER: Frank, I think we cut you off in the middle of your comments. Please continue.

ASSEMBLYMAN MARTIN: May I just follow up on one other thing?

MR. SENCINDIVER: I appreciate the questions, because if I haven't covered something that you have a burning question on, go right ahead.

ASSEMBLYMAN MARTIN: I am concerned about problem areas and troubleshooting. There are cases in New Jersey which seem intractable. The only thing we can recommend is for people to go to Trenton, which isn't too bad because of the smallness of the State. Do you run into that, especially with your centralized headquarters in Harrisburg, which is a haul for 90% of the people in Pennsylvania? Do you run into that, where people literally have to go to Harrisburg to cure a problem?

MR. ZOGBY: Sometimes. Again, putting it in perspective, the Motor Vehicle man right around the corner from you provides service. You know, that is almost unparalleled. You can walk in there and do everything. However, there is a cost to that. So, we decided, early on, that we couldn't afford that cost. As an example, we had two branch offices, one in Pittsburgh and one in Philadelphia. We had branch offices in no other community in the state. You know, being neighbors, you are aware of the various urban population centers we have. So, the persons in Erie could not get that same kind of service.

Our branch offices were not working well. It was a mirror of what we do in Harrisburg, and it was a mess. Quite frankly, everything was wrong. What we chose to do was close

them. Then what we did was, we beefed up several of our communication devices, like, we have a 50-person manned telephone center. The telephone center employs 800 lines. We do satisfy a lot of customers' complaints over the phone.

ASSEMBLYMAN MARTIN: Well, let me ask you this: Suppose somebody has a problem with his license. For some reason, maybe it has a wrong name, or he has been notified that his license has been suspended and he doesn't believe it is. In Virginia, people can go to that branch office in Jonesville where they will be able to speak with a certainty which will resolve their problem, via the courts, the police, insurance companies, and so forth.

MR. SENCINDIVER: Sure; right.

ASSEMBLYMAN MARTIN: In Pennsylvania, what do you do if you have that kind of a problem?

MR. ZOGBY: Let me elaborate on that because, you know, we can sit here and talk about it almost in abstract, and that is not what happens. Those offices I am talking about in Philadelphia and Pittsburgh-- That is how they started. They started because they thought it would be a good service to have a person there who could hear driver complaints. That is most of the activity. It is not the registrations. Those offices started with one man in 1970, and when I took over there were 33 persons in Pittsburgh and there were 55 in Philadelphia.

A person would walk in, he would sit down, and it was really a social interaction. We are not a social worker agency. They would sit down and hold hands with these people. They couldn't do anything about it because, for the most part, the activity was embodied in a law and there was no discretion on the part of the department. However, they would spend a half a day commiserating with a person about losing his driver's license. In fact, it would cause some complications, because perhaps the heat of the interaction would suggest, "Well, maybe I can do something for you," and they couldn't.

When we stopped it, that activity, in fact, became better. Now, notwithstanding the fact, we do suspend 500,000 people a year. Those persons who are suspended who really have a problem -- either with insurance or something like that -- believe me, I hear about it, usually again through the General Assembly. I hear about it through the mail; I hear about it, perhaps, sometimes from a visit to my office.

ASSEMBLYMAN FOY: You have a toll-free complaint line?

MR. ZOGBY: I have toll-free numbers throughout the state.

ASSEMBLYMAN FOY: So, if I, as a motorist, had a question or a complaint about, you know, an incorrect renewal, or something like that, or something improperly handled, I could call that toll-free number and a complaint taker would come on the phone and talk to me about it.

MR. ZOGBY: Well, even more than that. The people who man our phone centers also have a terminal right there. We can do certain transactions right over the phone. For instance, we can change a person's name or address, if that is his or her complaint. If a person comes and says, "Hey, you spelled my name wrong," they can go right into the terminal there, generate the change, and that will be mailed out.

Now, they also call this person--

ASSEMBLYMAN MARTIN: How do you verify that?

MR. ZOGBY: Pardon me?

ASSEMBLYMAN MARTIN: Is there some way of verifying that that is correct?

MR. ZOGBY: Yeah. Perhaps a person on the phone would call in and say, "My name is Robert Martin," and it wasn't. Right? And, playing a joke on you, he would say, "My address is," and change it over the phone. Well, that information will be sent-- A couple of things will happen. We will ask, "Why is it changed? Have you moved?" and things like that. But, it will be sent to the new address. Yeah, that could be a problem.

ASSEMBLYMAN SCHUBER: Frank, do you have a complaint line?

MR. SENCINDIVER: No. Well, in the area of complaints, if they have any, they just take them right to the branch offices. We get letters of complaint, but I want to reiterate that, as you know, people are more prone to write a letter of complaint than they are a letter of commendation. Our commendation letters run 10 to 1 to complaints. It's because we are giving the public some service. We have gotten letters from military people, as an example, who have said they registered vehicles all over the country and they expected to spend fully a half a day or something. They said they were amazed to be out in 20 minutes and have everything. Our General Assembly will tell you that they rarely get a letter of complaint. And, usually what they get now, is a statutory complaint, where we are required by law to revoke the license, and they want to do something about it. Of course, if it is by statute, there is nothing we can do about it.

MR. ZOGBY: That is the majority of our complaints, too -- driver license actions, not the Motor Vehicle process.

ASSEMBLYMAN FOY: I am going to give you an example. This is a novel situation which exists in my county, which is the next county south of here -- 15 miles away. There is a local Motor Vehicle agency in Burlington. Burlington's telephone prefix is 386. So, anyone from Delran north -- which is half of the district -- can call 386 toll free, except when you dial the Burlington office, it is a 292 number -- which is a Trenton, State number -- and for everybody in my district to call their own local Motor Vehicle agency is a toll call. I get complaints about that constantly.

Now, I have advised the Director, and he is speaking to the agent to try to change that. But, they don't actually talk to people in the offices. They talk to people up here who take the information. Whereas if they are going to be talking

to people up here anyway-- I made a recommendation a while back that we should have a toll-free number, and we should have a staff of people to ease the burden off the local offices regarding these complaints, because there is a tremendous amount of frustration that has built up as a result of a system that has not functioned and delivered the services that it is supposed to deliver in an efficient manner.

That is why we are glad you're here. We have learned a great deal from you both today, I have to tell you that.

MR. ZOGBY: One of the things I found over the last seven and a half years -- whether you have a service like Virginia, which is an excellent branch office perspective, or whether you have a centralized service -- is, it all relates to the processing time. I can almost tell you when my phones are going to ring off the hook, or whether I am going to be before a committee in the General Assembly. I watch those turnaround times.

When those turnaround times approach, somewhere in Pennsylvania, within a period of 15 days I am starting to get into trouble. To me, again, the secret -- it's not a secret; it's just pure, simple, hard work -- is in management and management controls. If you have a system, no matter what it is, and you have the proper management tools to monitor that system to see where the critical areas are so you can react to them before they become a problem, you are usually successful, whether you have a centralized system, or a service-oriented branch office system.

MR. SENCINDIVER: I might say one other thing. You can't just keep on building buildings and building buildings to take care of the new business and new population. In our business in Virginia-- The car business is booming. In the month of April, we registered 180,000 new vehicles. It was up something like 20% over April a year ago.

What we are doing in our new offices is-- We are having them establish office hours from Tuesday through Saturday, and staying closed on Sunday and Monday. All of our offices statewide are open from 8:30 to 4:30, with the exception of Thursday, when they are open from ten until six. That is beginning to give the public the kind of service they need. Our General Assembly, I'm sure, rather than give us more employees and more buildings, is going to say, "You are going to be open more hours." That may necessitate more employees, but certainly not new buildings, which is rather expensive.

ASSEMBLYMAN SCHUBER: Assemblyman Miller?

ASSEMBLYMAN MILLER: In keeping with Assemblyman Foy's comments about the toll lines, Mr. Chairman, I would like to put on the record an incident that happened, toll line-wise, in this State, which I think is pretty important to the overall hearing. But, I will not do it right at this moment.

Another question: Social Security numbers-- Do you use them at all on your drivers' licenses?

MR. SENCINDIVER: We do, yes. In Virginia, we use the Social Security number as the license number.

ASSEMBLYMAN MILLER: As the license number?

MR. SENCINDIVER: Yes, we do.

ASSEMBLYMAN FOY: There is a bill in to eliminate that here.

MR. ZOGBY: To eliminate it? We do not use the Social Security number. We have a unique operator identifying number. However, three years ago, a state Senator who is no longer in the Senate, sponsored a bill that passed, that requires us to capture the Social Security number. He did not provide that it should be an identifier. We have not as yet used it as the identifier. It is a very difficult thing. We had not chosen it because we had a number already in place that served us well. The advantage of the Social Security number would be for national processing purposes -- tracking people nationally.

There are problems in the Social Security number, although the problems are within a minute population of them. There are duplicates; not only duplicates-- They were some duplicates that were issued intentionally. Some duplicates were issued in the '30s and '40s from the East Coast to the West Coast, you know, in a much simpler time. There were also duplicates issued with dependents. A person's wife and children were issued the same number, especially if the person was deceased at the time. This was in the '40s. So, there are problems with the Social Security number.

MR. SENCINDIVER: Jack is correct. We do have a few problems, but they are so minuscule over the whole picture. We have a good working relationship with the Social Security Administration, and any time we find two that are the same we get those resolved. The people, generally, are appreciative of it, because they may have been paying into a wrong Social Security account for a number of years.

ASSEMBLYMAN MILLER: Have you run into any trouble with the civil liberties groups?

MR. SENCINDIVER: Yeah. They took us to court a couple -- I say a couple, but it was probably 15 years ago -- and the Fourth Circuit Court of Appeals -- the Federal Circuit Court of Appeals upheld our right to have that. We have required the Social Security number on both titles and operators' licenses for a number of years. There was a Federal law one time that you could only use that for a Social Security number, unless the states were already using it. We were grandfathered in.

MR. ZOGBY: But, it is all right today.

MR. SENCINDIVER: I think it is all right today.

MR. ZOGBY: We can use it. We are in the process of collecting them. Once we get secure enough that every driver has it on the system, we may choose to go to that as the identifying number.

MR. SENCINDIVER: We had a computer-generated number on a similar system to what New York has. It was a 17-digit number. People used to come to Virginia from New York, and they would say, "This is most amazing. You gave me the same number on my driver's license in Virginia that I had in New York." Naturally so, it was the same system. But, that was a 17-digit number, and it just got to be too much. There were some duplicates in that, too. It worked on your last name and your date of birth and your sex, and every once in a while you could come up with the same number.

ASSEMBLYMAN SCHUBER: Mr. Martin?

ASSEMBLYMAN MARTIN: The computer you use in Virginia which services all these branches-- Could you just talk to us a little bit about how that has been updated, or how that has kept pace with--

MR. SENCINDIVER: In 1963 and 1965, the Department of Motor Vehicles had its own computer. It was housed in our building in Richmond, and we were the sole user of that. At some point -- I expect it was about 1975 -- they appointed -- they didn't appoint, they established a data processing agency, and all data processing goes through this agency now. So, we are just a user of a particular computer like anybody else. We are the prime user of that because we are on-line. There are something like 30 other agencies that are on that same computer, but most of their work is batch work at night. We are the prime user of that.

To give you an example of how our computer works, I mentioned earlier that sometimes we didn't have any meaningful records until June or July, when all of this stuff would be filed manually. If a police officer in Arlington County, Virginia, wanted to find out who owned a license plate, they would have to teletype to Richmond, and our operator there would have to leave his post, go look it up, and go back to the teletype.

We now have a Virginia Criminal Information Network that each law enforcement agency is party to. They have a computer terminal. They come into our computer, retrieve what information they need, and get it back immediately. We never even know they have gone in to get it.

ASSEMBLYMAN MARTIN: Is there a consultant who is utilized with this, or is this an in-house department now which runs from the Commonwealth?

MR. SENCINDIVER: It is a separate agency. It is the Department of Information Technology. They have three computers. They are tremendous computers. I am not a data processing person, but I know they have an IBM, a Honeywell, and one other, which I can't remember. We are on the IBM system.

ASSEMBLYMAN MARTIN: And there are terminals in every one of these branches?

MR. SENCINDIVER: Oh, sure; yes.

ASSEMBLYMAN MARTIN: Have you had any problem with the processing time, or downtime?

MR. SENCINDIVER: Once in a while, like any computer of course, it does go down. It seems like it goes down every Friday afternoon at four o'clock when you have a lobby full of people, particularly at the end of the month. But, for the most part, they are doing a good job of keeping the computer up.

We had a series of meetings around the state where we asked our employees what they thought we could do better to be more efficient -- to serve the public better. One of the things that some of them said was that they thought that everybody who was a data processing person should be made to work in an office and in the field one day a year when the computer was down, to see those people, you know, when you tell them, "The computer is down and I can't do anything for you."

In the system redesign that we are working on right now, we want to have it so that the local offices will be

independent, so that when the main computer goes down, we can still process some data.

ASSEMBLYMAN SCHUBER: It's an interesting penalty you mentioned. I am going to keep that in mind.

MR. ZOGBY: One of the things we have discovered in Pennsylvania, and I think probably you have discovered it here, is-- One of the reasons why I feel, perhaps, some comfort in the way we are proceeding with Arthur Andersen -- although you also have to manage that very well -- is, you should never go into a major redesign without your own people -- whether they are systems people or whether they are program people -- understanding what you are getting into. In both our cases, we had our own staff write the requirements report. When we invited, by bid, the consultant to come in, we gave them the clear direction on how we wanted to go.

MR. SENCINDIVER: Very true.

ASSEMBLYMAN SCHUBER: I think that is part of the problem we have here, because I don't think that was done here at the time.

ASSEMBLYMAN FOY: We hired Price Waterhouse to write their own specifications.

MR. SENCINDIVER: That's very true. You've got to give clear directions.

MR. ZOGBY: You know, there is an ownership--

ASSEMBLYMAN BOCCHINI: Excuse me. I ran into Matt Boylan in the hallway coming over here. He suggested to me that he would contact you to invite us down there to see how fine the computer is working out. I said, "Pat will be delighted to go and visit."

ASSEMBLYMAN MILLER: Through you, Mr. Chairman-- Jack, you are decentralizing -- or you are going to a decentralizing system; you are working--

MR. ZOGBY: We had hoped to, but it will be after the new systems are up.

ASSEMBLYMAN MILLER: Okay. Under the decentralizing system-- Will it be a full service system?

MR. ZOGBY: Yes.

ASSEMBLYMAN MILLER: That is to say, they will be able to--

MR. ZOGBY: That is one of the criteria. Anyone who wants to come into the process, the decentralized service, must offer full service. They can't just select out the ones that sound like they will be the profit makers. They have to offer us full service.

ASSEMBLYMAN MILLER: So then, you are taking a page out of New Jersey's book. You are going to decentralize, except it is going to be on a competitive basis. It is not going to be on a selection basis; it is going to be strictly competitive.

MR. ZOGBY: Yeah. I guess it goes back to that old saying -- I think it was Alexander Pope -- something analogous to this: "Whichever is best administered is best."

ASSEMBLYMAN MILLER: Yeah. I was just wondering, although there is a difference between what you are doing and what we have here right now.

MR. ZOGBY: Yeah.

ASSEMBLYMAN MILLER: The feeling in the State seems to be that we should be State-controlled in all of the agencies around. I am not quite sold on that myself, at this particular point. It is interesting to see that you are going out decentralizing, although yours is -- as I say -- not on a politically selected type of situation. Yours is on the basis of if you qualify, you're in.

MR. ZOGBY: On the marketplace, yeah, and with strict controls.

ASSEMBLYMAN MILLER: Yeah.

ASSEMBLYMAN SCHUBER: Are there any other questions?

ASSEMBLYMAN SHUSTED: I just have one. In Virginia, do the agents do everything other than inspections -- issue licenses, issue titles?

MR. SENCINDIVER: No. The agents are contractual license agents and, again, there are only 50 left in the state. All they do is issue license plates. They have to send their title work in to a branch office, where it is put into the computer, and then the title is mailed from there. They are not computerized.

ASSEMBLYMAN SHUSTED: But, the titles can be given at the state--

MR. SENCINDIVER: At branch offices -- state-controlled branch offices, yes.

ASSEMBLYMAN FOY: Do you maintain at least one branch office in every county?

MR. SENCINDIVER: No, no. Oh, no, we have 96 counties in Virginia. What we try to do, on a regional basis-- As an example, I think I mentioned earlier that when our former Commissioner first came, we only had 10 branch offices in the entire state. We now have 10 branch offices in northern Virginia alone. So, we look at the agents' -- the contractual license agents' work. When they get up to where they are doing \$30,000 or \$35,000 worth of business -- that is the compensation we pay them -- we have to look at the fact that maybe we need to put a branch office there, because there are enough transactions there to justify it.

ASSEMBLYMAN FOY: Okay. These are people who are in some other business doing this as an additional source of revenue.

MR. SENCINDIVER: Right.

ASSEMBLYMAN FOY: What about-- Your inspection stations are all basically through gasoline stations, right, and repair stations?

MR. SENCINDIVER: Garages, yes.

ASSEMBLYMAN FOY: Garages, okay. Do you have at least one in every county with respect to that?

MR. SENCINDIVER: Oh, yeah, more than that. Again, that is handled by the Department of State Police, which is a separate agency. For instance, in Richmond -- there are probably 100 in the City of Richmond.

ASSEMBLYMAN FOY: I think you have a bill in, don't you, Bob, to require a minimum of one for every county. That is a State-run--

ASSEMBLYMAN SCHUBER: A State-run system.

MR. SENCINDIVER: That would be different. It would be very expensive for us to start anything like that.

ASSEMBLYMAN SCHUBER: Yeah, with 96 counties, and some of them are quite rural, I would assume.

MR. SENCINDIVER: Oh, yeah, yeah. We have one county, Monterey, that only has 2500 people in the whole county, so, you know, they couldn't support a-- They would probably like one. It would give them-- (remainder of comment inaudible due to laughter).

MR. ZOGBY: We have 18,000 state inspection stations.

ASSEMBLYMAN SCHUBER: You have 18,000?

MR. ZOGBY: Eighteen thousand.

ASSEMBLYMAN FOY: Do you have state stations at all in Pennsylvania?

MR. ZOGBY: No.

ASSEMBLYMAN SCHUBER: There are no state stations there. How many--

MR. SENCINDIVER: I don't have any idea, since that is a different agency that maintains those.

ASSEMBLYMAN SCHUBER: Oh, I'm sorry. Yeah, it is done by the State Police.

MR. SENCINDIVER: But, I would venture to guess that there are probably at least 100 in Richmond alone -- in the City of Richmond. So, you know, it would not be far-fetched to say up in the thousands in Virginia.

ASSEMBLYMAN SCHUBER: Are there any other questions?
(no response) Gentlemen, listen, I want to thank you very, very much on behalf of the Committee and the General Assembly for your coming, both from Harrisburg and Richmond, to be with us as this Committee proceeds on its journey to modernize the system of the State of New Jersey to bring it into modern business techniques.

I think some of the things I have heard from you today the Attorney General and Mr. Paulsen, our new Director, who just came on board a couple of weeks ago, have espoused, and we would hope that they would carry on. I found this extremely enlightening today; I really did. I think you have given us some clues on some other folks we would like to talk to also, as we go along, because certainly no state has a monopoly on what a good system is.

MR. ZOGBY: That's right.

ASSEMBLYMAN SCHUBER: But, certainly we could, in this particular instance, afford to learn from some of our sisters and brothers around the country. Now, if you could only tell me -- as Assemblyman Foy said -- that Hawaii has a great system, I would be extremely pleased.

MR. SENCINDIVER: As a matter of fact, both Pennsylvania and Virginia -- and, in fact, all states, as far as I know -- belong to the American Association of Motor Vehicle Administrators, and I am sure Mr. Paulsen-- Is that his name?

ASSEMBLYMAN SCHUBER: Glenn Paulsen, yes.

MR. SENCINDIVER: I'm sure Mr. Paulsen is, too. I understand that Hawaii has recently dropped out, so we can't even go over there and have a meeting.

ASSEMBLYMAN SCHUBER: Oh, maybe we should go out and find out why they did that.

MR. ZOGBY: I would recommend one other stop for you.

ASSEMBLYMAN SCHUBER: Yes?

MR. ZOGBY: That is Maryland. It is not as exotic as Hawaii, but--

ASSEMBLYMAN SCHUBER: This time of year, believe me--

MR. ZOGBY: The reason I am saying that is because Maryland has a new director within the last year, and a new mandate, and they are redesigning their system with Price Waterhouse. A different approach; you might want to visit them.

ASSEMBLYMAN FOY: On Wisconsin, on Wisconsin-- (sung)

MR. SENCINDIVER: They are going to a staggered system, too, where they have had an annual system of renewals.

ASSEMBLYMAN SCHUBER: Oh, okay, yeah.

MR. SENCINDIVER: So, they may be going through some of the growing pains that we went through some years ago.

ASSEMBLYMAN BOCCHINI: I just hope it is not staggering, as opposed to staggered.

MR. SENCINDIVER: We -- as I told you -- did that some years ago. But, many of our visitors come to Virginia, and then try to go back and put it into being overnight. It's hard to do, unless you have an unlimited amount of funds. We have had to work, work, work.

ASSEMBLYMAN SCHUBER: Gentlemen, thank you very, very much for being with us. Have a safe trip back.

MR. SENCINDIVER: Please come to visit us.

ASSEMBLYMAN SCHUBER: I think some of us will try to as we go along on this. We appreciate it very much. Thanks very much.

ASSEMBLYMAN FOY: Thanks, again. It has been nice to see you.

ASSEMBLYMAN MILLER: Pat, if I might--

ASSEMBLYMAN SCHUBER: I know Jack is going back by train. Frank, you have a plane at four, or something. Did you want to come down to the floor of the Assembly?

MR. SENCINDIVER: Oh, yeah, I intend to.

ASSEMBLYMAN SCHUBER: Okay, because we would like to arrange a pass for you. If you want to stay around, we will take care of that for you here. Okay? Bob, do you want to-- He will take care of it.

Mr. Alexander, you represent the New Jersey Federation of Senior Citizens?

N I C K A L E X A N D E R (speaking from audience): Yeah, I am the President of the New Jersey Federation of Senior Citizens. I have a brief presentation here on behalf of Rudy Jessup (phonetic spelling), who is unable to be here. I won't be too long.

ASSEMBLYMAN SCHUBER: Okay, because we would like to adjourn at 11:30, if we could, and it is about 11:20 now. Is that all right.

MR. ALEXANDER: Yes.

ASSEMBLYMAN SCHUBER: Why don't you come on up?

MR. ALEXANDER: My name is Nick Alexander. I am the President of the New Jersey Federation of Senior Citizens. I am presenting a paper here on behalf of Rudy Jessup, President of the Lower Township Federation of Senior Citizens. He is an Executive Board Member of the New Jersey Federation of Senior Citizens, and he is also a Vice President of the Southern Region of the New Jersey Federation of Senior Citizens.

I will read it, since it is a letter directed to this Committee:

"I am very sorry that I could not attend today's hearing due to a previous engagement. I am, therefore, submitting this statement.

"I wish to speak on behalf of the senior citizens and the disabled who do not live in the urban areas of the State where there is sufficient mass transportation. I would like to ask this question: What of us who live in the rural and semi-rural areas of the State of New Jersey, where there is very little or no mass transportation of any kind? We must

depend on our cars to get us to the doctor, the hospital, our church, the stores or malls, and to visit relatives and friends. We must depend on our cars to get us to the polling places to vote in the areas where we live.

"We do not ask for fare-free transportation, but for a reduction in our car registration. On April 28, 1986, I wrote a letter to every member of this Committee, requesting that you back Assemblyman Karl Weidel's bill -- A-786 -- and to expedite its facets. I have written Governor Kean and Speaker Hardwick, and received favorable answers on the above; also, replies from some of you Assemblymen expressing favorable concern for our cause.

"I know that we seniors in New Jersey have very good benefits, and we are grateful for them. However, this reduction in car registration fees is a benefit that many of us are sorely in need of. Senior citizens of Pennsylvania have had this benefit for many years. Why not the seniors and disabled in New Jersey? Again I say, this is much needed legislation for our seniors, and I hope you will act on it accordingly.

"Thank you for your attention." It is signed Rudy Jessup.

Now, the New Jersey Federation endorses this and is in support of it.

ASSEMBLYMAN SCHUBER: Sir, thank you. We appreciate it. I can just fill you in: My understanding is that that bill was directed to the Senior Citizens Committee, and has been released already by them to the Assembly floor. It has the support, I think, of most of the members here, if not all of the members. But, I understand that was released a week or so ago by the Senior Citizens Committee.

FROM AUDIENCE: It's today.

ASSEMBLYMAN SCHUBER: Oh, is it today?

FROM AUDIENCE: Yes, this morning.

ASSEMBLYMAN SCHUBER: Okay. It is supposed to be released today then.

MR. ALEXANDER: Well, I'm sorry to have bored you.

ASSEMBLYMAN SCHUBER: No, that's okay. That's fine. We appreciate it because that is something that we would back anyway. But, my understanding is that that is before the Senior Citizens Committee today. I don't know if the Senior Citizens Committee is still meeting. You might want to go down.

MR. ALEXANDER: Well, I am going down there now.

ASSEMBLYMAN SCHUBER: You might want to take the letter down there and give that testimony to them.

MR. ALEXANDER: Thank you very much.

ASSEMBLYMAN SCHUBER: Thank you, sir. At this point, I will--

ASSEMBLYMAN MILLER: May I put something on the record?

ASSEMBLYMAN SCHUBER: Oh, yeah, go ahead.

ASSEMBLYMAN MILLER: I would just like to bring something to your attention. There was a great deal of discussion, on the Administration side, about going government on the agencies. We all know that any adverse comments or publicity coming from our constituents seems to lean in that direction.

Let me tell you what happened. I had a phone call from a gentleman this week. The caller said he tried to get the Motor Vehicle agency in Wayne, and it was constantly busy, busy, busy. So he called the operator. The operator said, "That line is always busy. They leave the phone off the hook over there." They overrode the busy, and found that no one was talking on the phone. Now the man calls me, and I said, "Well, let me check it." So I call the number, and it's busy. I call a few times. I call the operator; they check it; they override the busy, and no one is talking.

So I say, "What is going on?" Now I have the number directly into the Motor Vehicle agency. I have their private

number. I called and I told them what was going on. I was told, "Just a minute, Mr. Miller. You have to recognize that that call doesn't come in here. That goes to Trenton." Okay, fine.

So, I called -- it was Ms. Cox, at the time -- and they steered me down to a woman. I talked to her, told her what the problem was, and she said, "Fine, leave it with us." I said, "Wait a minute. I am going to leave it with you for one hour. I want an answer as to what is going on." So, she called the switchboard operator on this thing -- the chief operator -- and then she called me back. I said, "When are they going to fix this? What are they going to do about this?" She said, "Well, I really don't know." I said, "What is the operator's name?" Then I called the operator. The operator told me that they have had this problem now for, oh, three or four months, and they are working on it.

"Well, what are we doing about it?" She said, "Well, it has been given to," and she mentioned the name of the telephone man who is involved in this. Now, being in the phone business for 38 years, I sort of talk their language a little bit. So what happens here-- She tells me that they have idle positions, or idle operators at the switchboard with no calls coming in, but we are still getting overflows and busy-backs up in the northern part of the State.

So, I talked to the telephone man. He told me that we have -- if you are familiar with trunking -- 11 trunks in this group, 11 in this group, 11 out of Pompton Lakes which Wayne feeds, and 11 out of New Brunswick coming from the northern part of the State. So, when that group is busy, they get the busy-back. In the meantime, there are operators sitting in Trenton with nothing to do. Right?

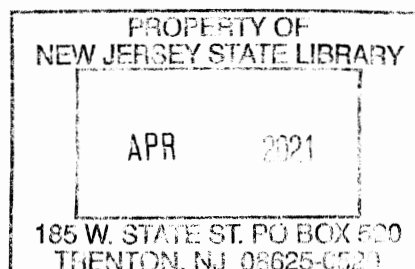
Now, the solution, of course, is a larger group of trunks -- centralized trunks. Take the four groups of 11 and put 44 trunks together and get the usage out of it, and you

will get fewer overflows. The reason they haven't done this is because they don't want to put an 800 in front of the number, although it is like an 800 Watts line. The reason they don't want to do it is because people get on an 800 number and they will talk because it is a free phone call, whereas if it is the, I think it is the 831 number up there-- If they call that, it might be a toll call -- they think it may be a toll call to them, so they cut the conversation short.

So anyhow, I talked to the telephone man. He has known about this for some time, and he has made two recommendations. One was, I think, a 936 or 976 group. You call the number, you get a message, "All lines are busy" -- like the airlines -- and when someone answers, you get little messages: "If you are going for your driver's license, make sure you bring your birth certificate with you" -- this sort of stuff, to drop down the calls. That spills over then into the large group. This is the recommendation.

They have 48 trunks right now, and they can go as high, I believe, as 59 trunks in this group. The recommendation had been made to the Attorney General's office at contact. So, I called the Attorney General's office to find out what was going on. He was glad to talk to someone who knew what the business was all about, and he was going to check into it. That was a week and a half ago. I haven't gotten back to him yet.

But, what I am trying to point out to you is, there is a feeling that we should go State control of the Motor Vehicle agencies. I have the feeling that we aren't doing enough to help the individual agents to do the job they are supposed to be doing. That is one area, because the people get irate over the fact that they can't get this agent. This was a dealer, by the way, who was talking to me. He is disturbed that they are not doing their job. That is a black mark; it's negative against the local agents.



ASSEMBLYMAN FOY: They have no control over it?

ASSEMBLYMAN MILLER: No control whatsoever over this thing. So, that is one thing I see happening. The other thing I see happening is, we talk-- You heard here today about the 3-1/2%, a quarter of a million and 3% the next quarter, and so forth. I think -- and we have discussed this -- that has to be changed if we are going to keep them out there. You can't expect someone to work and give great service, knowing full well that by the time they get finished they are being penalized for this thing because their cost per unit is going down.

ASSEMBLYMAN SCHUBER: The other thing -- you make a good point, and they brought it up today -- seems to be, there needs to almost be a division between handling telephone complaints and processing paper person to person. These places don't have someone who is available all day. Many things could be answered and problems cleared up if someone was there who is knowledgeable, who says, "This is what you are going to need to bring" -- as you pointed out -- "This is what you did wrong," "This is where I can steer you to help you out." Just have someone to respond to them.

But what happens-- Again, the agencies get busy, they take the phones off the hook--

ASSEMBLYMAN SCHUBER: That's right.

ASSEMBLYMAN FOY: --or something like this happens, where they have no control over it. They are so short-handed with their desk clerks trying to process, they don't have time to answer the phones. Then somebody calls up and says, "I wanted to get a simple answer over the phone, but I couldn't do it. I had to go there, and when I got there, there were only five clerks, and there were 200 people." You know, it's just--

ASSEMBLYMAN MARTIN: They are also getting paid by transaction, not by--

ASSEMBLYMAN MILLER: That's right.

ASSEMBLYMAN SCHUBER: Newt, will you please keep us up-to-date as to what happens when the Attorney General gets back to you on that. Certainly, that was a disturbing incident. You described it to me on the phone before.

ASSEMBLYMAN MILLER: Well, my concern is, if it is happening in North Jersey, what is happening in other parts of the State? Do we have the same situation in other sections?

ASSEMBLYMAN SCHUBER: I'm sure we do; I would assume we do.

ASSEMBLYMAN FOY: You know, I don't understand why people in my county have to call Trenton.

ASSEMBLYMAN MILLER: I can understand that.

ASSEMBLYMAN FOY: They have to pay a toll call. I mean, that's crazy.

ASSEMBLYMAN MILLER: That shouldn't be; you're right.

ASSEMBLYMAN SCHUBER: That's correct. I have had constituents send their phone bills to me -- people who made calls on that.

ASSEMBLYMAN FOY: I haven't had that yet. They send their phone bills to you?

ASSEMBLYMAN SCHUBER: I just recently had a phone bill sent to me in the mail.

ASSEMBLYMAN MILLER: I think there are many things here that, you know, these hearings we are having--

ASSEMBLYMAN FOY: They are useful because we are fleshing out just about every aspect of the situation. Whether we will come up with any answers, I don't know.

ASSEMBLYMAN SCHUBER: We'll see what happens.

ASSEMBLYMAN FOY: I think it is time to take the show on the road. I say get the camper, and let's head down to Virginia Beach. (laughter)

ASSEMBLYMAN SCHUBER: Well, we found out there is an agency down there, so--

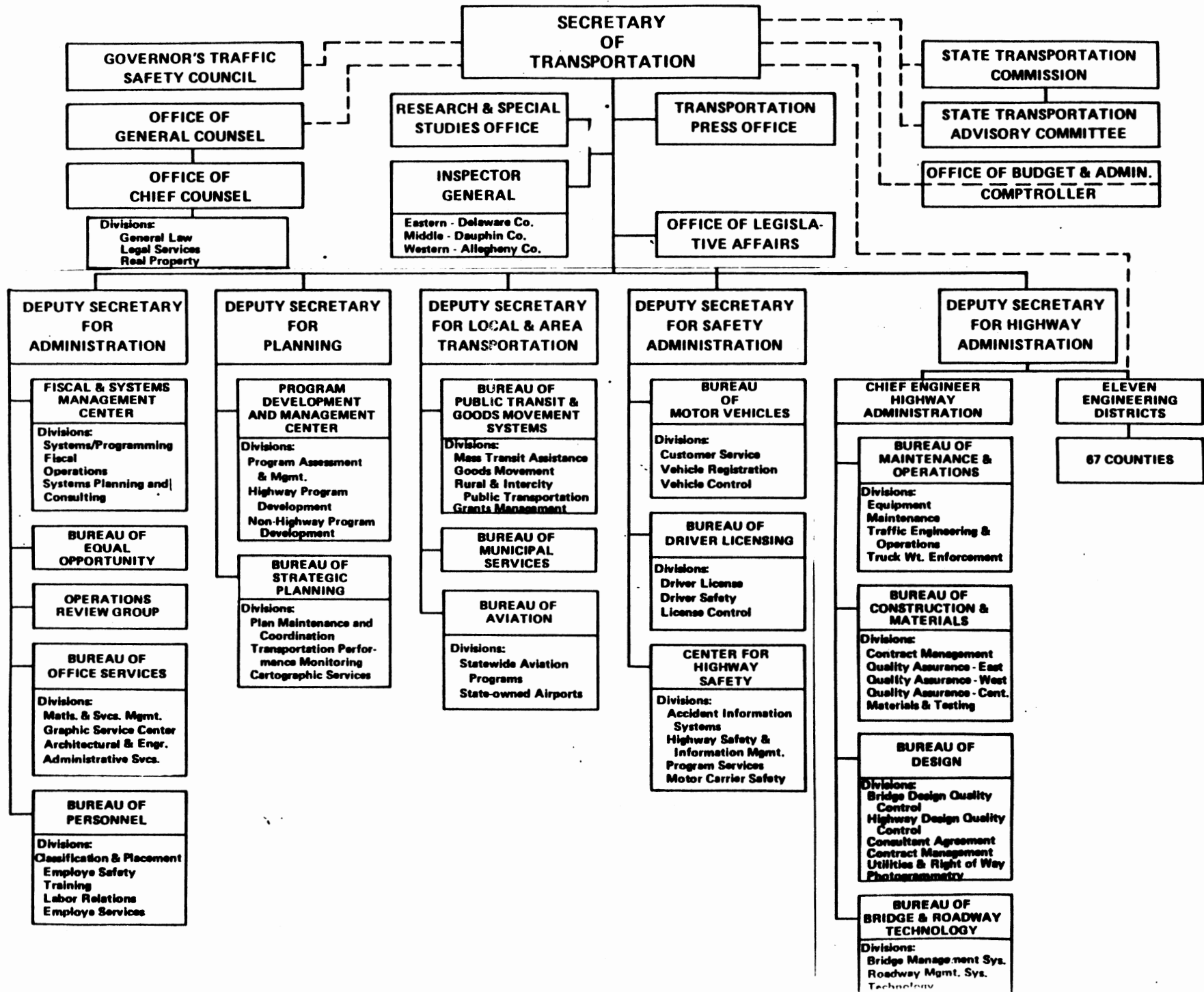
ASSEMBLYMAN MILLER: How about Alaska at this time of year, or maybe we should go international.

ASSEMBLYMAN SCHUBER: Thank you, everybody.

(HEARING CONCLUDED)

APPENDIX

PENNSYLVANIA DEPARTMENT OF TRANSPORTATION



XI



BUREAU OF MOTOR VEHICLES ORGANIZATIONAL CHART

DIRECTOR

— Staff*

VEHICLE REGISTRATION DIVISION

Receiving Section
 Sheet Application
 Document Control
 Micro-Numbering
 Reassembly
 Preparation/Micrographics
 Retrieval

Depositing Section
 Renewal Data Entry Processing
 Renewal Mail Opening
 Payment Processing
 Reconciliation
 Key Entry
 Encoding

Examining Section
 VTR Tax Group
 Examining Units 1-5
 CO/RE Group
 Corrections
 Re-entry

Data Entry Section
 VR Units 1-6
 Quality Research & Data
 Processing
 Control

Output Control Section
 Control
 Mail/Warehouse
 Inspection Sticker Processing
 Return Tags

CUSTOMER SERVICE DIVISION

Motor License Section
 Counter Services Group
 VR Renewal Counter
 Titles
 Data Entry
 Administrative Services

Special Services Group
 Legislative Service Center
 Messenger Service Center
 Operations
 Customer Services
 Special Tags

Dealer/Agent Services Group
 Dealer Registration/Salvors
 Temporary Tag Sub-System

Commercial Registration Section
 Apportioned Registration
 PA Fleet

Accounting Services Section
 Banking Services
 Returned Checks
 Refunds
 Cash Control

Information Services Section
 Marketing
 Customer Service
 Research
 Correspondence
 Output

Telephone Services Section
 Phone Units 1-5
 Quality Control & Support
 Law Enforcement Services

VEHICLE CONTROL DIVISION

**Vehicle Standards Technical
 Development Section**

**Administrative, Technical &
 System Support Section**

**Inspection Station
 Processing Section**

**Inspection Field Operations
 Section**

***Director's Staff**
 Personnel
 Special Assistant
 Performance Review/System
 Review Group
 Financial Analysis & Control
 Section

2X

BUREAU OF DRIVER LICENSING ORGANIZATION CHART

DRIVER LICENSE REDESIGN
PROJECT TEAM

DIRECTOR

ADMINISTRATIVE ASSISTANT

LICENSE CONTROL DIVISION

Enforcement Section
Data Entry
Suspension/Revocation
Insurance Verification

Control & Restoration Section
Process Control
Restoration
Verification & Return

Driver Information Section
Microfilm/Retrieval
Information Sales
Certified Records
Word Processing
Correspondence

DRIVER LICENSE DIVISION

Licensing Operations Section
Receiving & Depositing Control
Application Processing

Photo License Contract Admin-
istration Section

Customer Services Section

Special Services Section
Express
License Security Quality &
Control

DRIVER SAFETY DIVISION

Pupil Transportation Section

Driver Improvement & Evaluation
Driver Improvement Programs
Special Driver Projects
Driver Evaluation & Research

Driver Qualifications Section
Special Exam
Physical Re-Exam

3X

DIRECTOR'S OFFICE
Thomas E. Bryer

RISK MANAGEMENT ENGINEER
Donald Jacobs

ACCIDENT INFORMATION SYSTEMS DIVISION

(Manager)
William Hunter

HIGHWAY SAFETY AND INFORMATION MANAGEMENT DIVISION

(Manager)
Donald Jacobs

PROGRAM SERVICES DIVISION

(Manager)
Barry Eckert

MOTOR CARRIER SAFETY DIVISION

(Manager)
Daniel Smyser

Reports Section
Mary Swartzell

Analysis Section
Joe Haddock

Quality Control Section
Harriet Farling

Highway Safety Section
Jim Tenaglia

Information Management Section
Harry Balmer

Data Services
Sharon Grogan

Training & Liaison
John Acri

Planning and Implementation Section
Dianna Reed

Alcohol Program Development Section
Louis Rader

Fiscal Administration Section
Reg Oram

Safety Belt Section
Lorraine Novak

Hazardous Materials Section

Motor Carrier Safety Assistance Program
Len Shebosky

X7

