COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON TRANSPORTATION SAFETY

IN RE: EMISSIONS INSPECTION

* * * *

STENOGRAPHIC REPORT OF HEARING HELD IN ROOM 418 MAIN CAPITOL BUILDING, HARRISBURG, PENNSYLVANIA, ON TUESDAY,

FEBRUARY 25, 1992
10:00 A.M.

* * * *

HON. KEITH R. McCALL, CHAIRMAN

MEMBERS OF SUBCOMMITTEE ON TRANSPORTATION SAFETY

HON. DICK L. HESS
HON. JOSEPH F. MARKOSEK
HON. GREGORY M. SNYDER

ALSO PRESENT:
HON. PETER J. DALEY II
HON. RICHARD HAYDEN
ROBERT J. HOLLIS, EXECUTIVE DIRECTOR
NORTHEAST DELEGATION
PAUL LANDIS, MINORITY STAFF DIRECTOR
PAUL PARSELLS, EXECUTIVE DIRECTOR, HOUSE TRANSPORTATION COMMITTEE

REPORTED BY:
JANICE L. GLENN
Court Reporter

DOROTHY M. MALONE, RPR
135 S. LANDIS STREET
HUMMELSTOWN, PA 17036
(717) 566-3109

200 pg

x

1992-126

AGENDA

CHAIRMAN McCALL: The hearing of the House Subcommittee on Transportation Safety will now come to order.

Allow me to welcome my distinguished colleagues. To my left is Representative Hess who is the Minority Chairman of the Committee.

In the back row we have Representative Markosek. Paul Parsells who is the Executive Director of the House Transportation Committee. And to my extreme right Representative Dick Hayden who is doing some legislation on the Clean Air Act Amendments also.

The purpose of this public hearing is to explore the impact of the Federal Clean Air Act of 1990 as it relates to Pennsylvania in one specific area.

As most of us know the Clean Air Act of 1990 impacts on all of us in many different ways. However, the charge of this Subcommittee is to analyze and define how the issue of mobile source emissions can be controlled and reduced in order to meet Federally mandated guidelines.

The Clean Air Act Amendments, otherwise known as the Clean Air Act of 1990, was signed into law on November 15, 1990. Section 103

of the Act addressed automobile hydrocarbon and nitrogen oxide emissions creating new Federal auto emission standards. Section 101 of the act outlines a time frame for implementing the legislation.

The Environmental Protection Agency was given nine months from the date of passage of the Act until August 15, 1991, to develop and issue minimum standards for inclusion in State auto emission plans.

States then had up to one year to develop and submit new proposed standards to EPA that incorporated these new criteria.

While states are generally expected to comply with the Federal standards the Act includes criteria for seeking exceptions to the new Federal guidelines. EPA then has up to six months to review State plans and determine whether or not they meet EPAs new minimum standards.

New State auto emission plans are expected to be implemented no later than two years from the date of enactment of the legislation, or November 15, 1992.

Currently annual auto emission tests are required in only eleven counties. These tests are performed at State authorized motor vehicle

inspection stations, typically gasoline stations and auto repair shops at a State regulated price of eight dollars for each test.

However, as a result of the Clean Air Act of 1990 an additional twenty-two counties have been included to require emission testing. That is a total of thirty-three counties, nearly half of the entire State.

Governor Casey has recently written to William Riley the Administrator for EPA urging his governmental body to adopt the necessary regulations in order that Pennsylvania may begin implementing at the State level the necessary requirements of the new Federal law to assist the nation in cleaning up its environment.

Federally established deadlines have been missed which is of great concern to Pennsylvania in that we risk the loss of millions of Federal highway money if we do not comply by a certain date established by the Clean Air Act.

Today this Committee hopes to identify what it is that Pennsylvania has to do in the mobile source area to comply with the Federally mandated requirements, and in what time frame Pennsylvania must act.

Pennsylvania does not want to risk losing millions of highway dollars because we have not complied with the new Federal program.

You will be hearing today from a host of individuals who are experts in their particular fields. And I want to thank them all in advance for taking time to participate in today's proceedings.

With that I guess I should introduce myself. I am Representative McCall the Chairman of the Subcommittee for today's hearing. And I would like to call upon Al Weverstad, General Motors, Director, Emission Compliance Activity, Motor Vehicle Manufacturers Association of U.S.

MR. TITELMAN: My name is Bill Titelman. I want to thank you for being with us for the delay as we set this up.

I'm an attorney and a partner in the firm of Klett Lieber Rooney and Schorling and I'm here today representing the Motor Vehicle Manufacturers Association of the United States.

With me today is Allen Weverstad, Manager of Emission Compliance Activities for General Motors Corporation, and Nancy Hofmeister who is with Fuel Economy and Emissions Control

Planning, Ford Motor Company.

These people are here today on behalf of the Motor Vehicle Manufacturers Association of the United States. They are both automotive engineers.

Before they begin I would like to mention one or two facts just for your information. It is generally believed that the automobile industry is not a significant factor anymore in the economy of Pennsylvania.

You should be aware that the aggregate number of manufacturer employees, those are employees who are employed directly by the major American Automobile Manufacturers here in Pennsylvania, numbers over 6500 today.

The aggregate number of supplier locations from which they purchase goods and services and supplies in this State is over 2000. And the aggregate volume of purchases by the Automobile Industry from the State of Pennsylvania is over $3 billion per year. So I would just point out that the automobile industry is still a significant factor in the economy of the Commonwealth of Pennsylvania.

I'll ask Al Weverstad from General

Motors to begin his presentation.

His presentation takes approximately twenty minutes uninterrupted, but he is pleased to answer questions as he proceeds, so feel free to interrupt him if you wish.

MR. WEVERSTAD: Often times it's better if you see something that I haven't explained properly to ask a question at the time. I don't mind that. So with that, let's begin.

First of all, this is a very basic slide and I apologize to those in the back that can't see it, but what we have here is a slide on the problem that we're talking about today and its ozone. And it's not to be confused with the ozone that there's a hole at the poles in Antarctica and potentially one at the North Pole.

This is low level ozone. It's an eye and lung irritant and it occurs, it's not directly emitted by anything. It comes from hydrocarbons and NOx which are pollution given off by automobiles, stationary sources and natural sources. But it occurs when hydrocarbons and NOx are in the atmosphere in the presence of sunlight then ozone is formed. It goes away at the end of the day but it is formed in the presence of

sunlight.

So one of the factors in ozone formation in addition to manmade and natural sources is the amount of sunlight that we get. One of the reasons that California's data is far different than Pennsylvania.

Here's a slide taken in Folcroft, Pennsylvania, which is in the Philadelphia area, which is from 1988, the hottest month in 1988, which was July. 1988 is an important year because it was a high year because it was very warm. And as you can see this line going across is the ambient air quality level that Federal EPA wants us to achieve, and the line is that data point during the summer.

You can see it occurs on all days and because of that we would expect that it is sunlight related and is why Tuesday didn't have any non-compliances, etcetera, and Sunday did.

What is your problem and how do you compare it to Southern California?

I'm going to focus primarily my discussion on the California vehicle. There's a lot of discussion about the California vehicle and that is one of your alternatives.

We think it's an expensive alternative that you don't need to take right now, and hopefully we will explain to you why you wouldn't want to do that.

What you see plotted here is the frequency of ozone exceedencies. This is the amount of days in which at least one hour exceeded the .12 parts per million requirement.

On the left side is plotted California for 1988. On the right side is plotted Pennsylvania.

The intention here is to show you that in California 125 occurrences is a normal year. Whereas in Philadelphia, which was the worst location in the worst recent year, there were less than twenty-five. In fact I'm going to show you numbers here shortly that in 1991 the worst location in Pennsylvania had nine occurrences.

Those nine occurrences, each occurrence is approximately two hours long on average. So you had eighteen hours out of 8,740 hours that you had a non-compliance. The difference is dramatic.

It's about seven times as frequent in California and the level is over twice as high of

ozone concentration in Southern California as you have here in Pennsylvania.

Now that's not to say that any red on that chart is acceptable. We recognize that we're part of the problem, we want to help in the solution, but what we want to do is apply the most appropriate solution to the level of problem that you have.

What we've plotted here is some data also from 1988. The red line is 1988. The green line is 1989 in the very same location. And as you can see from 1988 to 1989 the ozone level, and this is the concentration of the highest reading, dropped in every case. And it dropped to the point where you only in 1989 had two locations in the State that had any ozone exceedencies, Philadelphia and Pittsburgh. And the amount of non-compliance has reduced from .2 to the worst at that time which was about .16.

I apologize for this next slide. The next slide is fairly detailed and busy but we just received it and we didn't have a chance to replot it. But let me point out the significant things.

Over here is the number of exceedencies in a year and over here is the level

of the exceedents. This is the worst location that you have in Pennsylvania. Bristol was the worst location. In 1991 there were nine exceedents.

The next worst location was Chester which had three. And there were two locations, Norristown and Scranton that had two. No other location had more than one.

The level, if you remember what we plotted in 1988 was .20, is now down to .144 as the highest level. Keeping in mind that the standard is .12.

What has caused this improvement? Primarily two or three things. Number one, 1988 was an extremely hot sunny year. It exaggerated the normal condition. If we plotted ozone over a long period of time you would see that the highest years were in the early '70s and it has been reducing ever since. There was a blip in '88 but it's more weather related than anything else.

The second thing that happened was RVP control. The oil companies implemented re-vapor pressure control, which is the volatility of the fuel, the tendency for it to evaporate. That was reduced and there was less evaporative emissions

and that showed up in the levels.

And the final thing is the turnover of the vehicle. As we remove the old pre-1982 vehicles from the fleet emissions are coming down naturally.

Furthermore, in 1990 the Clean Air Act was passed that reduces exhaust emissions from vehicles one more time. At the present time from unregulated levels the automotive industry has reduced hydrocarbons 96 percent. The Clean Air Act will make us reduce it to 98 percent. So we're shaving away at the last fraction, and we all know that that's the most difficult fraction and the most expensive.

We have a second chart of other locations but they're all zero so there's no need to talk about that.

Based on 1988 data which goes away sometime during this year, this is the areas of non-compliance, the worst area, the most severe is in the Philadelphia area in the south. The rest of the areas are relatively clean with attainment dates in 1993 and 1996 as planned. And it appears that with the normal turnover of vehicles you're going to be very close to achieving those targets.

You have until 2005-2007 in Philadelphia to bring that into attainment.

This shows the clean fuel low emission vehicle rollout by county in the state and this is a time line. These are when these counties need to be in compliance. 1993 is for all of the counties in blue. 1996 are the counties in brown. And the 2005 are the counties in red.

I would like to point out that the California vehicle option begins in 1993, but with only ten percent of the new vehicles sold being transitional vehicles. These are not true low emission vehicles but they are reduced over the Federal standards, and they're only ten percent of the new vehicles sold.

In 1996 you get the first official low emission vehicle and then only twenty-five percent of the vehicles sold. And at our present selling rate that's not a big impact unfortunately for all of us.

The point of this slide is to say that these counties will absolutely see no benefit of low emission vehicles because they won't be in sufficient number to impact the air quality. And these counties have plenty of time, particularly

if you waited the first few years without California low emission vehicles you are allowed to jump into the program at any time in progress.

So our point out of this is that the area that needs it you have time to introduce it. The other areas are going to be in compliance well before that.

What is this California program and what is the status of the program?

One of the things we'd like to point out is that the California program that we talked about is not fully defined today.

This is a time line chart of when they were supposed to have things done and how they are going. They have set the numbers and the numerical standards have been set and have been reviewed.

They have said that they're going to adopt clean fuel, but they haven't defined what the clean fuels are.

They haven't defined what the reactivity adjustment factor is, which is a technical term, it's a multiplier that multiplies the tailpipe number times this number to get you the ultimate results. So we don't have one of the

most important factors, the reactivity adjustment factor yet. They haven't reviewed that.

California recognizes this program was technology forcing. They said that we know that its not done presently but let's force the technology, but as a safety valve we will have a comprehensive program review twice before introduction of these vehicles.

The first one was to be held this spring. California has delayed that until this November for a lot of reasons. One of which is to obtain more data as to the technological feasibility of this program.

At the present time California has petitioned EPA for a waiver to allow them to have different than Federal standards. That waiver hearing was held last week. It is not expected that EPA will rule on that until sometime this summer. So at the present time there is no approved California program and it's not fully defined.

Signing up for the California program at the present time would be essentially signing a blank check.

Now this next slide tells you what

benefit you might achieve from this on a vehicle basis, but this is the numbers that the proponents of this type vehicle would present to you; not us. Our feeling is that this probably overstates the benefit, but even with that there's not much benefit.

What you see plotted here is the vehicle produced in 1988. This is the number that is multiplied times the vehicle miles traveled to give the total inventory to the atmosphere of VOCs or pollution. And in 1988 it was 3.65 grams per mile. 2.59 of which were due to evaporative emission, refueling losses or vapor losses on the vehicle.

I would like to point out that this particular part of the pollution is not included in the California plan. The Federal plan and the California plan are identical for this portion of the chart. The tailpipe emissions was what's left.

So if you go to 2010 when all of these vehicles will be fully in place, if Pennsylvania and other states allow the Federal Clean Air Act of 1990 to go forward, the vehicles. So by doing nothing the vehicles will contribute

88.5 less on a vehicle mile traveled basis.

If you go forward with the California program the proponent states that you'll gain another percent and a half improvement.

We think that that might be an overstatement, but certainly additional percent and a half improvement is not going to be without cost. And that's what our next slide will show.

The cost of this program according to an outside consulting group from the University of Michigan called the Automotive Consulting Group, from our standpoint they picked a terrible name. It sounds like they work for us, but in fact they are associated with the University of Michigan and are a totally independent group, went in and said let's guess the cost or the price to the consumer of the new technology required to meet these standards. And at the time they did the study California said all you need to do is add an electrically heated catalytic converter to the program.

DEC is what the State of New York says it will cost for these components, and they estimated a cost at $290. The Automotive Consulting Group estimated the cost at $1000. Our

estimates are probably a lot closer to the ACG because they left out certain things to have this electrically heated catalyst.

The way the system works, when you get in your car in the morning and start the engine most of the tailpipe pollution occurs while the catalytic converter is warming up to temperature. So the intent of an electrically heated catalyst is to take a battery and energize the catalytic converter in twenty to thirty seconds.

What it's going to do is take the catalytic converter temperature from whatever ambient it is, maybe ten degrees, and raise it to 600 degrees in twenty seconds. So you can recognize that's going to take a lot of energy. We need another battery to do that.

It's going to take wiring and cable to get that down there. It's going to take not an extra alternator but a bigger alternator. It's going to take a remote starter.

We at General Motors have had a lot of experience with diesel engines in the early '80s with glow plugs. And anyone that's ever owned one of those vehicles can say boy I hated it when I got out there in the morning and I saw this

little light that said wait to start. Nobody wants to wait even twenty or thirty seconds to start. We want a push button start when we come out the door. When you add up those component costs it's a thousand dollars.

Now I also would like to point out that at the waiver hearing the State of California admitted that it's going to take more than a electrically heated catalyst to meet their numbers.

The electrically heated catalyst is a good start and the biggest component, but it's going to take additional costs and additional hardware besides that.

Now what will that cost do to us in the business, dealers and the air quality? The same consulting group said that if you raise prices a thousand dollars you're going to lose another ten to fifteen percent of sales.

That impacts us from a bottom line standpoint. It impacts you from a sales tax standpoint. And it impacts dealers that may be what's keeping them in business now. And it will also impact air because those cars that aren't bought will be the ones that actually continue to clean up the air.

Now what is the benefit of the program in our opinion? What we have plotted here is the total fleet. This is the grams per mile that you would multiply by and it's plotted from 1995 through 2010.

It includes a couple of assumptions. It includes the assumption that there still is a pollution problem in the year 2003 and Federal tier two standards kick in.

We think that's a fair assumption because if you need a low emission vehicle program you obviously are going to be out of compliance and would need the tier two standard.

The tier two standard is a default mode. EPA must go forward with tier two unless we can prove that it's impossible to do or it's of no benefit. And in either case we don't think that's a likely outcome.

So if you take a look at the green line that's what happens to the inventory if you do nothing and let the 1990 Clean Air Act take its place.

The red line which you can see a little bit below here and a little bit above there, is what would happen if you take the

California program and assume it deteriorates at the rate that EPA, who I might point out is the ultimate judge on this, would expect. It's essentially the same line. And the blue line is the deterioration or the aging process that California anticipates.

In order to prove the benefit of the program California said that not only will you make the emissions better when you start the vehicle, but you will develop technology that makes it age more gracefully. We don't think that's possible.

Now that outcome doesn't make a lot of sense because you drop the tailpipe standards in half and in half and you don't see any benefit. How could that be? So I'll try to give you some background.

One of the things that I will point out is that in the entire, there's a word called ROMNET, it stands for Regional Ozone Model, Northeast Transport. It's a mathematical model that EPA conducts that tries to predict what kind of ozone will happen in the future.

Remember that we don't give off ozone from vehicles or from stationary sources, so you

need a math model to try to predict it. It's a very complicated model and it's a model that is constantly being improved. In fact there's going to be a major step taken hopefully this summer as they upgrade it.

If you take a look at the 1985 inventories over the entire region the VOC's come from a lot of sources as we pointed out. On an average over the Northeast Region fifty-six percent of the VOC's come from natural sources. They come from trees. They come from swamps. But obviously there isn't anything we can do about that and there's nothing that we want to do about that. And also in urban areas that ratio changes.

So for purposes of this evaluation we're going to assume downtown Philadelphia and there the natural contribution is far less. The natural contribution of downtown Philadelphia is about twenty-six percent. Seventy-four percent of the precursors or of the pollution is manmade.

Of that seventy-four percent, thirty-four percent of that is from highways, mobile cars and trucks. Forty-percent is from factories, stationary sources.

So we're thirty-four percent of the

problem in the urban area; less in the more rural areas. But of that, as we pointed out earlier, we're only a portion of it as the California law emission vehicle aimed at. Twenty-five percent of the mobile contribution in 1985 was from evaporative emission of the total. And only 8.8 percent was from exhaust tailpipes. So this emission standard is aimed at only 8.8 percent.

Now the real question would be not what it was in '85, but what's it going to be in 2010? How much would these low emission vehicles impact the year 2010?

So we take those numbers that we plotted before. We keep the natural sources the same, the total contribution, it ends up the percentage is larger but the percentage is larger because everything else is reduced. So if you keep that constant and you reduce the total pie the natural becomes a bigger percentage.

So that in the year 2010 assuming that we've been successful half the pollution will be from natural sources in Philadelphia. Thirty-three percent will be from stationary sources. And eighteen percent will be from mobile sources. Of that eighteen percent, fourteen percent is

evaporative and only four percent is exhaust.

Now when you take into account that of the exhaust there is reformulated gasoline impact and there are vehicles, only new vehicles meeting the standard for this impact, Pennsylvania in 2010 any benefit that we showed for low emission vehicles is multiplied by this. Tailpipe contribution is only 1.4 percent.

So if you have a seventy-five percent improvement in emission standards, you take seventy-five percent times 1.4 percent and that's the impact on the total VOC's.

So the summary of that slide is that if the left program is adopted Pennsylvania will spend additional dollars for each car, about a thousand dollars a car. They'll spend additional dollars for fuel.

We've calculated the fuel economy loss for the added weight and the additional electrical load, and the cost of the reformulated gasoline over the useful life of the vehicle will increase the owner's cost another $1400.

So the owner of these new vehicles are going to be faced with almost $2400 additional cost to gain less than two percent. In fact to

gain less than one percent in the total VOC inventory.

Now there are other ways to achieve the benefits needed and our suggestion is that the State of Pennsylvania look at all of them and pick the ones that are most appropriate and easiest to implement for you.

For example, in 1990, thirty-five percent of your cars were driven only twenty-six percent of the miles. These are the vehicles older than 1982. But they contributed nearly two-thirds of the hydrocarbons and VCO's and over half of the NOx. So the problem is old cars. And those old cars are going to filter out of the fleet on their own. Hopefully there are ways we can accelerate that removal from the fleet, but they will filter out of the fleet.

We think that the California vehicle is like salting your food before you taste it. We think that if the Clean Air Act is allowed to run its course, with your level of non-compliance you will be in compliance with other processes well in time and you won't need to do this.

MR. TITELMAN: Al, I'd like to interrupt you with a question if I could.

MR. WEVERSTAD: Sure.

MR. TITELMAN: As you said the other day to me, that the effect of removing one pre-1982 car from the road.

MR. WEVERSTAD: Yes, let me give the number. One of the things we calculated was what is the benefit of this reduced tailpipe number vehicle in 2010 over a Federal vehicle? Then we compared that to removing one pre-1982 vehicle from the road.

It ends up that it will take 122 low emission vehicles to equal putting one pre-1982 car on the road. So we've got to do a lot of car sales in order to impact removing these old cars.

What happens if you wait two years and then decide we've got a problem. We need to have these California cars?

Well first of all you jump into the program in process. You would begin at twenty-five percent LEV's. You would miss the first two years of TLEV's, ten percent and fifteen percent of your sales. And what would the impact be on the total inventory? You can't calculate the difference. The impact is so small because of the phase-in that there would be absolutely no

difference at all.

That's it. We'd be happy to answer questions. We would also be happy to come back again, go through details.

We've worked with the DER. Found that they're very helpful and very positive people. We will be happy to continue that process.

MR. TITELMAN: Al, could you briefly comment on the Industry's position with respect to the enhanced inspection and maintenance program?

MR. WEVERSTAD: Our feeling of that enhanced inspection and maintenance is as EPA pointed out, more cost beneficial than going to a low emission vehicle program. And it's a good way to remove some of the polluting vehicles or at least identify them.

What we think you ought to do though is look at the benefits that you need and then look at what benefits are possible, and what costs are associated with it and then pick the right solution to your level of problem.

You really need to know where you're going to be in '93 and in '96 from a pollution level standpoint. And you need to know what the impact of each of these potential solutions are.

And then choose the right hammer for the size nail or the size problem that you have. Don't hit it with a sledgehammer if you can hit it with a tack hammer.

MR. TITELMAN: Al, one other thing I'd like you to observe on. What's happened, what is it that has happened to the aging of the fleet as a result of increasing costs of automobiles over time?

MR. WEVERSTAD: We looked at that and part of the reason that we're not as successful a company as we used to be is that people hold onto cars a lot longer.

In 1970 one percent of the vehicles were fifteen years or older. In 1990 eight percent of the vehicles were fifteen years or older.

We like to think that it's because we build our cars a lot better and they last a lot longer; but realistically it's because people can't afford them as well as they could in the past.

CHAIRMAN McCALL: Questions? Dick.

REPRESENTATIVE HESS: You raised and I think EPA also raised the issue about retiring older cars.

I live in the City of Philadelphia. An environmental group, The Clean Air Council, sued Pennsylvania for failing to comply with ground level ozone under the 1977 Act. The case has been kicking around but during the course of the negotiations over a consent decree, this was not an attainment issue, one of the issues being discussed was in fact the issue you mentioned, which is retiring older vehicles.

The information that this attorney got from PennDOT for the five county Philadelphia region, which was the subject of the suit, showed that since November of 1990 there were 26,400 cars registered that were pre-1970. The total cars that were pre-1981 were 417,000 cars.

It seemed like a pretty high number to me and if you use your figures here, that it takes one pre-1980 car in terms of your actual emissions offset that you're going to get, you're going to need 122 California low emission vehicles.

It would seem that a program which would effectively help to remove these cars from the road would get you 1993 credits toward ozone attainment at a much more efficient rate than the adoption of the California LEV car.

My question is have the Automobile Manufacturers Association either as a trade association or as individual companies figured out a way to help underwrite the removal of those cars from the highway?

I'm aware of one program funded by one of the oil companies, I guess UNICAL in Southern California, which went into a very successful voluntary program where UNICAL, and I think there were other oil industry folks who put up the money, but the demand for, I think it was around $500 per car, far exceeded the amount of money that they dedicated for that fund. So I'm wondering if the manufacturers have figured out a strategy perhaps to help us here in Pennsylvania help retire these cars?

MR. WEVERSTAD: We have wrestled with that internally just slightly. There are some problems associated with that for automobile manufacturers primarily because if we put a $500 bounty on it the administration of that program is something that would be difficult for us to do.

It would obviously have to be--

REPRESENTATIVE HESS: We could administer it here.

MR. WEVERSTAD: It would have to be done by the DMV. The second problem that we have is that we like to sell new cars and it's hard to associate removing one of those old cars from the fleet and getting a new car sold. But it makes good sense and we talked about it this morning.

I'd like to take a pass on it for the present time and take it back and review it with the Motor Vehicle Manufacturers Association and see what we can come up with. I think it's a good suggestion.

REPRESENTATIVE HESS: Thank you.

CHAIRMAN McCALL: Al, isn't the major difference in the California car a heated catalytic converter?

MR. WEVERSTAD: At the present time if you believe California they say that was the item that you needed to meet these standards. At the last waiver hearing they said well it's going to take more than that.

I would point out that no one has ever been able to show that they can meet these emission standards for the hundred thousand mile requirement of the law.

It ended up that the standard not only

was reduced, but that the length of time was doubled.

California has one vehicle that has gone 7000 miles that meets the hydrocarbon standard but fails the NOx standard. That's the best data that exists.

CHAIRMAN McCALL: And you spoke to reformulated fuel. Is that oxygenated fuel?

MR. WEVERSTAD: No, not necessarily. Reformulated fuel defined by Federal EPA is a fifteen percent reduction in mass in the year 1996.

Essentially cars are going to produce emissions. It's you are what you eat. Depending on the type of gasoline that goes in the amount of pollution comes out the back differently. So Federal EPA has defined the reformulated gasoline to have a fifteen percent mass reduction in '96 and a twenty-five mass reduction in the year 2000.

It's expected that this is going to cost additional money. You'd have to ask the oil people exactly the cost, but my guess or my memory says its about ten to fifteen cents a gallon for that.

California has--

CHAIRMAN McCALL: What about the set-up of the car?

MR. WEVERSTAD: Pardon.

CHAIRMAN McCALL: What about the set-up of the car with that reformulated fuel?

MR. WEVERSTAD: The California Vehicle Emission System is designed to operate on California based two gasoline, which the oil companies call severely reformulated. It goes beyond, potentially beyond what the Federal twenty-five percent reduction is. And it's expected to cost maybe twenty to thirty cents per gallon.

The vehicle will operate on Federally reformulated gasoline, but we would not honor recall of that vehicle if it was used on Federally reformulated gasoline.

MR. TITELMAN: That's a twenty to thirty increase.

MR. WEVERSTAD: That's another twenty to thirty percent increase.

CHAIRMAN McCALL: But again back to the car. I just find it hard to believe that it could cost a thousand more dollars for a LEV or low emission vehicle car when it seems to me it's just the catalytic converter that we're changing.

How do we get to the thousand dollar figure?

MR. WEVERSTAD: Let me walk you through the numbers and let me tell you about how finite a slice we're talking about.

Remember I said the Federal Clean Air Act takes us from 96 to 98. The Low Emission Program takes us to 99.5 percent. So we're talking the very last fraction.

We're talking levels of emissions that first thirty seconds of operation of the catalytic converter. We at General Motors are working-- When you go to start you car this afternoon when you go home and you turn the key, the engine will turn over three or four times while the computer determines where the center is so it knows when to fire fuel and when to fire spark to light the match.

We're trying to make it so it will start on the very first revolution. We're talking about getting it to start to save you two revolutions on the cold start. Those are very very small improvements but they're very very expensive improvements because they're the very last ones.

Now electrically heated catalyst, the

catalyst cost on there itself is only about $220 my recollection says, in that range. But then you need all of the attendant it takes to make that operate. You can't just put this on. You've got to run wire to it. You've got to put a battery in the trunk for it. You have to put a shield around the battery because no one wants a battery rambling around in the back.

CHAIRMAN McCALL: Do you really think it's necessary to put another battery in?

MR. WEVERSTAD: Absolutely. Try to envision something that's ten degrees and in twenty seconds you put energy into it and heat it up to 600 degrees Fahrenheit. Try to imagine it. We're talking on the range of 660 amps. It's a tremendous amount of energy to download into a device.

CHAIRMAN McCALL: What I'm getting at is that the bottom line with the California car is basically an enhanced catalytic converter.

MR. WEVERSTAD: An enhanced catalytic converter and there will be some other improvements. For example, right now we have throttle body fuel injection which is a fuel injector that you still use as an intake manifold.

That will be a thing of the past. We'll have to go to sequential torque fuel injection for every vehicle, so that will increase costs.

We'll have to go to ABITs ignition which is angle based ignition timing. So we'll have to know each degree of the engine's spinning so we know exactly what you want out of 360 possible degrees its at at any one time.

We'll need to know that cylinder to cylinder. And we'll have to be able to control air/fuel ratio very very closely.

In fact one of the things that we've seen in calibrating this is that the same calibration will make a car pass on one car, you put an identical car next to it, you pull out the hardware and put it on that car, it no longer passes. Car to car variation has to be non-existent to meet these numbers.

These levels of .04 grams per mile, it's going to even require a different emission lab because the level of emissions is so small we can't even measure it at the present time.

CHAIRMAN McCALL: You spoke of the evaporation being a major contributor to the grams of VOC's. What about introducing a larger

canister into the car, would that help?

MR. WEVERSTAD: Not necessarily. The point of that is that there are additional requirements for evaporative emission, and we're taking those.

There is a new test procedure. We're going to do what we call a real time diurnal program and we are improving the efficiency of the evaporative emissions canister.

But that program and the California program are identical. To have the Federal program or to have the California program, essentially you get the same hardware and the same program, and you're going to get that for free. The price of the car may change, but what I'm saying is the state gets it for free.

CHAIRMAN McCALL: Thank you.

MR. TITELMAN: I'd just like to make if I could one concluding remark on behalf of the Motor Vehicle Manufacturing Industry, and that is that there are many uncertainties in the California program. The magnitude of the problem now and in the future. The magnitude of the benefits, if any. The cost of the program.

We do know that there's a two year

delay to study and will not adversely affect the potential benefit of the California program.

We know that the vehicle price will substantially increase approximately $1000. The cost of gasoline, twenty to thirty cents a gallon increase. Likely sales loss due to this increase, ten percent.

Of the fifteen percent, I remind you that Pennsylvania today employs over 6500 people directly in the automobile manufacturing industry. That there are more than 2000 supplier locations in the state aggregating over $3 billion in sales that will be impacted by such a decline in sales.

And there are other more immediate programs available which will be of far greater benefit, particularly the enhanced inspection and maintenance program and getting old cars off the road at a greater rate of speed.

I might point out that New York has legislation to get rid of old cars and that might be a good place to look.

Also the Ozone Transport Commission, there was a lot of talk about the thirteen states and the environmental executives from those states agreeing with the California program. The fact of

the matter is that if you look at the record of program the states of Maine and New Hampshire are not expecting to take any action this year at all.

The Governor in Maine is backing away from the program. Vermont has voted in committee four to two against it. It's dead.

Massachusetts did pass the program. The current Governor is reconsidering it. There is a study requirement now which is to be completed soon.

Connecticut, the Governor there has held it off. There is a study going on there.

In New York while regulations are supposed to be introduced administratively this year, the Legislature is taking serious issue with it and one of the Senators has introduced legislation to require a two year study before any action can be taken.

New Jersey, although the regulation was introduced last week, the same questioning process by the Legislature is occurring.

Maryland is conducting hearings in February and March on the issue.

Delaware and Virginia have both decided not to take action this year. The program

was defeated in the Virginia Legislature. They both agree that there is not enough data to make a decision now.

In Rhode Island no action is expected this year.

Those are the states, the other states in the Northeast Ozone Transport commission. And I would point out that our industrially competitive states, states that we compete with for jobs, that our workers compete with for jobs, Illinois, Texas, Ohio, Indiana, West Virginia, Kentucky, Tennessee and North Carolina, not a single one of them plans action to go to the California low emission vehicle.

I thank you for your consideration.

CHAIRMAN McCALL: Thank you.

I would now like to call upon Ted Erickson, Regional Administrator for Region III of the U. S. Environmental Protection Agency.

MR. ERICKSON: Good morning, Mr. Chairman and members of the Subcommittee. Thank you for including us in this hearing today.

I have with me today Thomas Maslaney who is the Division Director for the Air Toxic and Radiation Division in Region III, EPA.

We have provided to you written testimony and let me now summarize some of the points made in that testimony if I may.

Vehicle traffic generates about one-half of the pollution that ends up in our air. In some ozone nonattainment areas the percentage is even higher.

Of all highway vehicles, passenger cars and light trucks emit most of the vehicle related carbon monoxide and ozone-forming hydrocarbons. They also emit substantial amounts of nitrogen oxide and toxic air pollutants.

Although we have made tremendous progress in reducing emissions of these pollutants, total fleet emissions remain very high. This of course is because the number of vehicle miles traveled on U. S. roads has doubled in the last twenty years to two trillion miles per year - offsetting much of the remarkable technological progress in emissions control over these same two decades.

In 1988 in Pennsylvania alone, vehicle miles traveled totaled over 83 billion miles. Projections indicate a steady growth in the same number of miles traveled.

I would like to pick up on a point that you mentioned earlier please, Mr. Chairman. It is that EPA has missed the November, 1991, due date for promulgating I/M guidance. However, there is current consensus on the necessary minimally acceptable elements to provide the basis for supporting a high tech 1/M program. And I believe that that should not be the major focus of today's hearing.

We have in EPA been working with Secretary Yerusalim and Davis as we look forward to designing a program in the Commonwealth of Pennsylvania that will address the necessary elements of your program. And we look forward to continuing in a cooperative fashion to work with these individuals.

I should also touch on a couple of other issues before getting into the major issues today. And that is that we've heard much about the California's Low Emitting Vehicle standards, or the so called California car.

We have also heard about tighter Federal standards that will begin to govern in 1994 some of the reductions that will be achieved.

However, benefits from these programs

will not be realized before the attainment demonstration deadlines and, furthermore, will not be sufficient to reach attainment without an enhanced inspection and maintenance program. So it is this enhanced inspection maintenance program that I'd like to concentrate on this morning.

The concept behind an I/M program is to ensure that cars are properly maintained in customer use.

I/M produces emission reduction results soon after implementation of the program and it's critical if we fully realize the benefits of the new clean vehicles and clean fuels programs scheduled for phase-in over the next ten years, because they will help to ensure that vehicles function in a proper manner.

One of the most cost effective means to attain the reduction in emissions is through an enhanced I/M program.

The new law that Congress passed established an ozone transport region in the Northeastern United States which includes the Commonwealth of Pennsylvania. The Act requires enhanced I/M programs in all metropolitan statistical areas located in that ozone transport

region which have a population of 100,000 or more people.

Let me turn for a moment then to what makes up in the opinion of EPA an effective I/M program.

EPA and State audits have shown that the simple idle test used in today's programs is quickly becoming obsolete. This type of test works extremely well for pre-1981, carbureted, non-computerized cars because typical emission control problems involved "rich" air/fuel mixtures that affected idle as well as cruising emissions.

Today's computer controlled cars continuously adjust engine operations and cannot be effectively tested at idle. Emissions must be tested during high emission acceleration and deceleration driving modes to reliably test sensor and computer operation and identify "high emitters."

The shortcoming then of the current test is an inability to detect evaporative emissions as well.

Over the last several years we have learned that vapors which escape from various points in the vehicle fuel system represent a hugh

source of hydrocarbon emissions, generally greater than tailpipe exhaust.

EPA has developed two functional tests which can determine whether vehicle evaporative emission control systems are operating properly.

The first is a simple pressure check to find leaks in the fuel system. The second is a check of the "purge" system that removes gasoline vapors stored in the charcoal canister and routes them to the engine where they can be burned.

With these issues in mind, EPA has developed a high-tech emissions test for today's high tech cars.

The test simulates actual driving and allows conditions and allows accurate measurement of tailpipe emissions and evaporative system purge.

Unlike idle tests, it can also accurately measure emissions of nitrogen oxides or NOx. And this is especially important in the Northeastern United States where control of NOx is important to address the ozone problem. This is true, of course, because NOx emissions, along with volatile organic compounds, are precursor pollutants of ozone smog.

This high-tech test is so effective

that testing every two years yields almost the same emission reduction benefits as annual testing.

In EPA's research doing the test right has proved far more important than doing it often.

We estimate that a high-tech test in a high volume system will cost about $18 per car, or of course breaking down to $9 per year. And this is in line with the average cost of today's I/M programs.

A misconception that comes up frequently is the belief that these high-tech tests require a so-called centralized testing program. This is not necessarily true.

Often the term "centralized" refers to an I/M program with test only stations where a large volume of tests are performed by the state or by a single contractor at a few specific locations.

A traditional "decentralized" program on the other hand is one where a relatively low volume of tests are conducted by numerous small businesses which also often perform vehicle repairs.

High-tech I/M testing can be done by independent small businesses. Of course, the

high-tech testing equipment is more expensive, we certainly recognize that, and therefore may drive a system with fewer high volume test only stations.

Such independent high volume test only stations are now operating in several states. And examples of that are Texas and California. These I/M programs with independent test only stations actually generate an increase in the number of vehicles requiring repair.

So let me stress then please if I may that we are supporting a high volume test only situation.

Regardless of the test format, good quality control and enforcement measures are critical for a fair, yet effective inspection program.

As mentioned earlier, Pennsylvania is facing a Clean Air Act mandate to reduce overall emissions by an average of three percent per year. Effective high-tech I/M programs can make an enormous contribution towards this goal.

Emission reductions the Commonwealth achieves through I/M can help offset the emissions generated by the growth in vehicle miles traveled

and allow for new industrial growth.

Any needed reductions not achieved by mobile source related strategies, such as I/M, will have to be achieved by industry to meet the Clean Air Act requirements.

Tougher more comprehensive controls on industrial sources could make it more difficult for industrial growth in the Commonwealth of Pennsylvania.

Not only is high-tech I/M the most beneficial air pollution control program we know of, it is also the most cost effective.

High-tech I/M is seven times more cost effective than tighter new car tailpipe standards and at least ten times more cost effective than additional controls beyond reasonably available control technology which is the level of control currently required on small and large industrial sources.

It remains cost effective to adopt I/M for the volatile organic compound reductions it achieves alone, not to mention the carbon monoxide and NOx reductions that would also be achieved.

And let me conclude then by just

summarizing that an enhanced program would achieve a thirty percent reduction in vehicle hydrocarbon emissions plus a thirty percent reduction in carbon monoxide emissions, and in excess of ten percent reduction in NOx emissions.

It is as I mentioned ten times more cost effective than other control options.

It provides precise diagnostic information to target effective repairs, saving vehicle owners time and money.

The Biennial testing means less hassle and lower testing cost for car owners.

The cost of repair of cars pursuant to problems discovered by I/M tests is largely offset by the savings in fuel costs because properly functioning cars are more fuel efficient.

It can be operated under a decentralized or centralized system.

It provides a big step towards the required annual average three percent overall emission reduction.

Thank you. We will be happy to answer any questions that you have.

CHAIRMAN McCALL: Any questions by Committee members?

Dick.

BY REPRESENTATIVE HAYDEN:

Q. Mr. Erickson, the Philadelphia Air Region includes parts of Camden County, New Jersey, as well as parts of the State of Delaware. I'm curious as to what the stage of development is in those two states with their I/M programs?

Are they further along than we are here in Pennsylvania? Have you approved a potential enhanced I/M program for either of those two states?

A. There is something called the Northeast Ozone Transport Commission and through that Commission they are trying to support in a very conservative fashion, and in a cooperative fashion, the movement of the I/M programs and other measures that will be necessary.

New Jersey is in Region II EPA. I don't know exactly where they stand. They are discussing the enhanced I/M program in both New Jersey and in Delaware.

I think the latest that we have is that there is serious consideration being given to the adoption of a program, an enhanced I/M program in both of those states.

BY CHAIRMAN McCALL:

Q. Can you explain the high-tech test? Will you just go through that once for me for my information?

Are you speaking about basically a centralized system where you speak to high volume?

A. Yes. That obviously is not something that we have in place to dictate to any of the states. However, the thought behind that was that the equipment that was going to be necessary to do this dynamic test will probably be more expensive than the existing equipment. And of course because the existing equipment will not be satisfactory to do the testing there will be a requirement to buy additional equipment.

Therefore, to offset the cost of that equipment it probably would be best to have a high volume of cars running a particular location and, therefore generate the funds to to pay for that equipment.

Q. Do you have any idea what the cost of that equipment would be?

ANSWER BY MR. MESLANY:

A. It's somewhere between $150,000 and $200,000 per lane. A lane would be one lane of

testing. You could set up a shop with multi-lanes.

Q. And what type of equipment? What kind of equipment are we talking about?

A. Well the major piece of equipment would be the dynamometer. The dynamometer is to place the car under a loaded condition so you can test the car accelerating and decelerating and get a true representation of what the emissions would be coming out of the tailpipe while the car was performing on the road.

Incidentally, that component of the testing is a modification of the testing certification we use for new cars when we test Detroit's cars up in Ann Arbor.

So we've had many many years of experience with that type of a testing system where we check a car under a loaded system.

That's the main expense, dynamometer. There will be some modification of the testing equipment.

There are two other major components of the tester as Mr. Erickson indicated, and they are much simpler in both cost and operation, and that is the test for first of all vapor recovery.

And that is each car has a canister in there where vapors are caught in that canister and then as the car accelerates are pulled off that canister and are burned in the engine.

In order for that vapor recovery system to work we not only have to test that that is holding and can be pulled off, but we have to make sure that the system is sealed.

You know on a hot day when you open up your car you feel the pressure in your car, in a new car, and when you open up the gas tank. That means that that car's system is sealed. Nothing is escaping outside. It's being all caught in the vapor recovery system in the canister. And so we test the car to make sure that it also holds the seal and all those gas vapors that are in there.

So those are the three main components. And the way the lane would be set up would be that you would go through a number of stations and the car would move down.

We estimate that the testing time would be somewhere between probably fifteen and twenty-two minutes.

Q. Where would the requirement for that canister come from, the canister in the

automobile? Would that be right in the automobile?

A. The canister is already on. The issue you may be thinking of with onboard canisters, that is in increasing the size of the canister. But there is currently canisters on cars.

Q. Any idea or time frame when EPA is going to come out with any of their regulations?

ANSWER BY MR. ERICKSON:

A. Well as I indicated we--

Q. Our concern is the loss of Federal dollars if we don't have something in place.

A. Of course. And I can't commit to you that there would not be sanctions imposed even in spite of the fact that we have not promulgated the guidelines.

The guideline promulgation process is in action at this point in time. The guidelines have been submitted by EPA to OMB, Office of Management and Budget.

They are being reviewed over there now. And I obviously cannot commit to you or tell you when that will come back out.

Q. But you think that sanctions may still be imposed?

A. I don't know.

Q. Okay. I'm not trying to be antagonistic.

A. I understand.

Q. In one of the articles in the Philadelphia Daily News you were quoted as saying that - or the EPA I'll say - already admits that it may push back the deadline as the law allows. But I don't see any place in the law that allows that.

A. There have been discussions as to what will happen if the guidelines aren't promulgated. And one of the thoughts that has been discussed - and this is not a commitment for EPA please - is that there would be allowed a letter of intent to be submitted by some of the states. And that that letter of intent then would serve to meet the letter of the law.

Q. I see.

A. The letter of intent being one to have the state or Commonwealth of Pennsylvania in this instance actually promulgate the program that will address the I/M, enhance the I/M situation as well as some of the other requirements within the Clean Air Act.

CHAIRMAN McCALL: Representative Markosek.

REPRESENTATIVE MARKOSEK: Thank you, Mr. Chairman.

BY REPRESENTATIVE MARKOSEK:

Q. Gentlemen, just to refresh my memory here, we're saying that this is a test that takes between fifteen and twenty-two minutes?

A. That varies in terms of the source that you read and the way it's set up it is actually anywhere between five and twenty minutes.

Q. Okay. Five and twenty minutes. And it's costing $18 every two years, roughly $9 a year?

A. Yes.

Q. Which is about the same as what we're spending now.

Do you have any research data? Has any thought been given to the typical repair of a vehicle that's brought in here?

What is the typical malfunction should we say? What age of cars? Do we have any percentages for example that say cars within the last five years have a certain percentage of failure and cars more than five years have a different percentage?

Any data on typical kinds of cars? Repairs? Do most cars pass? Do most cars fail?

Any data on that at all?

ANSWER BY MR. MASLANY:

Q. A couple of points. Most cars do pass the test. We're talking about roughly the thirty percent or so that fail.

We find that cars that fail tend to fail badly. And so those thirty percent of the cars are causing the majority of the emissions on the road. So it's finding that smaller percent of cars, that thirty percent, that's important.

I have some figures somewhere - I'm looking for it right now - that for what the typical cost is. I'll try to find those.

The Clean Air Act does require the State to change its waiver rate up to $450 that an individual car operator would have to pay to repair his car. Above $450 there is a provision for a waiver. So it does increase the amount that would have to be paid.

My recollection is that the average cost is somewhere between, for those that had to be repaired the average cost was somewhere between $50 and $70. That's my recollection of the figures.

Now you've got to remember that there are going to be some cars that are going to cost $200, when we really are talking about major tune-ups and a number of things like that. However, some of the failures are caused by the evaporation system not holding and so that's a very simple thing.

So the average is in that range but there is a recognition there could be a higher cost for some cars.

We do estimate though that a lot of that cost will be offset over the long run by the savings in gas. Because not only are these tests saving gas from evaporating, which provides gas to the engine, but they are providing for more efficient car performance.

Cars, our new automated cars, computer diagnostic type cars that we have, are designed that when things start going wrong in the car they run rich so that the car keeps going. So that you can get to wherever you need to go. So by proper maintenance in the I/M testing you will have a more efficient car.

Q. You mentioned the $450 limit. You're asking states to increase or hold harmless to

$450. Is that the way I interpret what you're saying?

ANSWER BY MR. ERICKSON:

Q. That's right in the Act, yes sir.

Q. Okay. If somebody has a repair that costs more than that do they pay the deductible of $450 and the difference, or do they pay nothing at all?

ANSWER BY MR. MASLANY:

A. I believe they pay up to $450.

Q. Okay. So it's like a deductible you might say?

A. I believe that's correct. I will have to confirm that definitely.

Q. The other question is, if that's not correct and they pay nothing, who pays the bill? Or who pays the difference even if they pay the $450?

A. I believe they have to pay up to $450 for repairs but I'm not quite sure of the exact mechanism. I will get an answer back to the Committee.

Q. Okay. Well who would pay the overage then?

A. I don't believe they have to fix beyond that. But I will get back with that answer.

Q. So you're better off if your car is really in bad shape and really way out of whack, and costs $800 or $900, then you don't have to bother getting it fixed?

A. No. What I'm saying is that I think repairs up to $450 have to be done. So that the major repairs that need to be done would have to be fixed.

REPRESENTATIVE MARKOSEK: Thank you, Mr. Chairman.

BY CHAIRMAN McCALL:

Q. Does the Act speak at all to in the inspection itself does it say or give us discretion as far as if I do the inspection I can't do the repair Would that be up to the State too?

ANSWER BY MR. ERICKSON:

A. At this point in time it is not prescribed by the Act, but the thinking after looking at a number of programs that are in operation is the separation of the two, repair from the inspection, would be that which is most efficient and would then therefore gain the biggest benefit to the air emissions issue.

Q. Have you had any testing as far as the

states that allow both the inspection and the repair, or even in a decentralized system where the inspection has been conducted has there been any cheating?

A. I don't think that you can indicate in a decentralized system versus a centralized system there is more or less cheating.

As I think you know, Mr. Chairman, there are audits that are performed periodically. And of course the results of those audits vary from one state to the next state. They vary from one facility to the next obviously.

Q. Do you have those audit results?

ANSWER BY MR. MASLANY:

A. There has been a national study that was done recently which we can send a copy to you, that compares audits done in about six different states that looked at it.

In some cases in some states around the country we have found very high failure rates where the agency goes in with marked cars and some covert where we send an unmarked car in, and the car has been pre-tampered with so that we know what's wrong with it. We know how it should receive a report.

In some cases we have found very poor results. Those have been improved since. But we have found in general with decentralized it does relate to systems. Pennsylvania has a fairly good decentralized system right now.

There have been some decentralized systems that have not been achieving high results on a compliance rate.

Q. Have you done audits in Pennsylvania?

A. Yes we have.

Q. And that is all part of the study?

A. Yes.

Q. I'd like to have copies of that.

A. We will submit it to you.

CHAIRMAN McCALL: Thank you.

We're going to deviate somewhat from the hearing. Secretary Yerusalim has to testify before Appropriations or some Budget Hearings, so, Howard, you're next.

SECRETARY YERUSALIM: Mr. Chairman and Members of the Committee on Enhanced Emission Inspection and Air Quality. Thank you very much for changing your schedule for me. I appreciate it.

You have my testimony but I don't read

very well so I make it a practice of not reading testimony.

I will refer to figures that are in the testimony but we have boards that were made up in the last hour or so, so we will be pointing to boards rather than you having to go through the testimony that I gave you.

First of all enhancing and expanding the emission inspection program in Pennsylvania will affect a minimum of 6.2 million vehicle owners in thirty-three counties of the Commonwealth. It will also play a major role in cleaning our air in the future.

Mr. Erickson probably told you that the Clean Air Act Amendment signed by President Bush on November 15, 1990, requires significant changes to our emission inspection program.

Currently we have a decentralized program in parts of eleven counties and that's the, I believe it's yellow to me.

Under the Clean Air Act Amendments of 1990 that will have to be expanded to thirty-three counties and the entire county in each of those thirty-three, because we are a member of the Northeast Ozone Transport Commission and Region.

You can see the extra counties so I won't read them off to you. But you can see it affects a major portion of the State other than the Northern Tier portion of the State.

Actually, additionally the Clean Air Act Amendment also requires increasing the waiver fee if you fail a test. Currently a 1974 or older car you only have to repair up to $25 even if you don't clean up the car. And I've never figured out how you do that on an eight cylinder automobile. Maybe you only change two spark plugs in order to keep it under the waiver limit. But under this program it will increase from the $25 or $50 up to as much as $450.

Now no one should be confused to think that everyone who doesn't pass the test will have to spend $450 to meet the requirements. We don't expect that will be true. And also, most of the vehicles we expect will pass the test.

Both types of changing talked about is the expansion and the enhancement of the emission inspection will require legislation, regulation and operating changes for PennDOT. So this will not happen in a day.

However, amendments require EPA to issue regulations or guidelines by November 15th of the year of the test, 1991. These regulations were not completed as of today and who knows when they will be completed, which causes us extreme hardship at the State level.

Governor Casey just last week sent a letter to EPA Administrator William K. Riley indicating his strong concern with the fact that EPA is not meeting their requirements of law. But there is no movement of the deadline with respect to our meeting the requirements of the Clean Air Act Amendment. So that does make it much more difficult for us.

I do want to mention that EPA Administrator Erickson has been very very cooperative with us. He came to Harrisburg to meet with me and my staff to talk about enhanced I/M and talk about the benefits, and talk about the centralized versus decentralized, and he is very very cooperative. Our problem is that overall the administration of EPA is not coming out with the regulations or the guidelines that we need.

I would hate to start up a major program and then find out it doesn't meet the

requirements, and time is moving.

We don't want to implement a program that won't meet those Federal regulations or guidelines when they're completed, therefore, you know, I'll discuss things like must the program be centralized or decentralized. But I need to know what the rules are before I can play the game.

I want to know if the test site can do repairs. When Mr. Erickson met with me and some of my staff in my office he indicated that he did not think that the test sites could also do the repairs.

Now I read some information that said maybe you'll get less credits if the test site also does the repairs, but they can do both. And that makes a major difference in the development of our program.

We also want to know if we'll get the same credits for a bi-annual emission inspection versus an annual inspection. And will we get the same credits for a centralized versus decentralized. They're all very important factors I believe in making decisions in Pennsylvania to meet the Clean Air Act requirements.

Let me provide some information

regarding the issues in question you raised in your letter. A lot of them I really can't answer without having the answers from the Environmental Protection Agency.

First of all since enhanced equipment will cost upwards of $140,000/$150,000, I believe that this morning - I wasn't able to be here - but Mr. Erickson said it my cost up to $200,000 per lane. I question whether many individual service stations and garages can afford this equipment.

Second, the information we received from EPA prior to today indicates the expenses to operate a centralized high technology testing facility works out to approximately $20 per vehicle. In other words the pay back to pay off that equipment.

Mr. Erickson might have given slightly different figures today as I recall right before I came to sit down.

We are also told by EPA that California which has a decentralized system indicates the average cost is $48 per vehicle. So I think that has to be part of the formula.

With respect to centralized versus decentralized programs, we still have the question,

at $140,000, at $150,000 or $200,000, will there be enough individual service stations willing to purchase that equipment and be able to get their return on investment that we can inspect the 6.2 million vehicles that will be required to be inspected under the expanded program. That's up from 3.4 million vehicles under the current program.

If EPA requires separation of repair and testing facilities would private garages participate? Those garages might be more interested in being in the business of repairing automobiles and light trucks, which is their business, rather than testing them for emissions inspection.

Will the customers be more confident if there is a centralized system that they know has no responsibility or ability to make the repairs?

Will they have more confidence in going through a line where they know that the only interest of that group that would be centralized and controlled by the State would be to inspect their vehicle.

Also, will EPA's credits for a

centralized system allow for bi-annual versus annual test.

If we go to Figure 2 here this tells us some information regarding centralized versus decentralized. And it's kind of interesting that the effectiveness of the centralized program in some cases is double the effectiveness of a decentralized program. For example if you look at the lead line the effect of this might be seventy-five percent with a centralized system versus thirty-eight percent with a decentralized system. And the source of this information is the EPA. We didn't make this up ourselves.

You can look at each of the lines and see a much greater impact and the much greater credits I believe will be received with a centralized system versus a decentralized system. And all these charts are in your packages with my testimony.

The Department has begun preparation for a number of program types, but we need EPA's guidance before we commit to any one system.

If we do centralize we may have options to offset the impact on currently operating systems. In other words perhaps we

should consider allowing testing of older vehicles at the existing sites for some phase-in period.

Initially the centralized program perhaps could be in the counties that don't have a program today and will be phased into centralizing the entire state.

We would have to assure I believe with the good job that our service stations have done over the years, that we separate the safety inspections and continue to do them at the service stations as they receive their licenses to do such and their certification.

And also if we tie a centralized system into a bi-annual update of a vehicle registration, you know, that might just set it up that it's separate from the safety inspection. Of course right now we have an annual registration fee for our vehicles.

Regardless of centralized or decentralized programs, the I/M program enhanced will be the key to cleaning up our air for health reasons. And second, to meet the Clean Air Act Amendment 1990 requirements.

Let me turn to some other figures that I think show more information for you. Again,

they are in the testimony, but it shows a little bit better here.

This is a chart that shows the inspection program's major benefits. And we start out with the fact that the average emission rate is 2 grams per mile of volatile organic compounds, VOC's.

The tailpipe, Tier I Tailpipe Standards, you will only reduce that by two percent.

As you go over to the right we see that the full test with pressure and purge will reduce the emission rate by thirty percent. So it shows you that the full enhanced program will go a long way towards meeting the requirements of the Clean Air Act.

If we go to the next chart. There's four charts that kind of show the same thing. Again we look at the Decentralized Annual Two Speed All Model Years With No Pressure, might reduce 3000 tons per year per million vehicles of VOC's.

As you go to the right you'll see that that increases to about 10,000 with a centralized annual testing program that is enhanced to include

the pressure test and the purge test.

The other thing that we've been told by the Environmental Protection Agency - and again I want to stress Pat Erickson has been very very cooperative - is that if we went to a bi-annual test we might get almost the credits as an annual test. And that might be something that we really want to consider as we get the real guidelines or regulations from the Environmental Protection Agency.

The next chart kind of ties dollars instead of costs in order to reduce the per ton of VOC's. Additional measure beyond RACT, that means that measures on the vehicle itself would cost about $5000 per ton of reduction of the VOC's.

If you go to bi-annual high option you see that it's only $500. So it's a ten to one return on going to an enhanced program.

This chart shows the different facilities that we can try and address by reducing their VOC impact.

Bakeries you can see have almost no impact. Rubber tire manufactures, none. And by the way, this is for the City of Houston. I don't know that it would be exactly for Pennsylvania but

it kind of shows the difference between emission inspection programs and other things that can be done.

Drycleaning is not very much. If you go down the list you'll see that we don't get much of an impact until we go even to a low option emission inspection test with respect to reduction of tons per day. But you can see the high option, which I talked about, outdistances everything but the refineries, and there are an awful lot of refineries in the City of Houston. So I don't think that we would even have that line in the Commonwealth of Pennsylvania.

So again we can see that the enhanced expanded centralized program would get us the best return and clean up our air in the best possible way and the most efficient manner.

Also I want to mention that if you fail the test, and the current program only twenty percent of the vehicles actually fail the test, the waiver in the Federal law calls for the increase from $25 to $450 that I mentioned before.

But I also want to mention two things. One, those vehicles will not require that amount of repair.

The other thing is that most vehicles will be under warranty and the repairs if they are five years old or less, or 50,000 miles or less, will have to be taken care of by the manufacturer. Anyway, that's my understanding, that these will have to be warranted, the parts that may need repaired.

In closing let me say that we will enhance our program because it's the right thing to do to clean up our air.

Also, if we don't meet the Clean Air Act Amendments it will have a major impact on jobs in Pennsylvania. It will mean that we will face sanctions of up to the loss of approximately $900 million per year in highway bridge funding. And we will also face the sanction that we will not be able to have new companies that emit pollutants come in unless we have a two for one. We reduce by two for every one gram or ton of pollutants that we put into the air.

So I think it is very very important that we get these regulations as soon as possible. They were due, as I said, October 15, 1991, one year after the Act. And we were supposed to have

a program by October 15, 1992. That's when the clock starts.

We have an eighteen month clock after that before sanctions get imposed. But that means by May of 1994 we have to have a program or we will have sanctions imposed.

And as I sit here before you today, I don't know what the program means. Does it mean that we have the law, the regulations and the centralized and decentralized programs actually in operation? Or does it mean we have the law, the regulations and the request for proposal that's sent out in order to develop the program? And we need these answers before we invest many many millions of dollars within Pennsylvania for this program.

In any event those sanctions have to take effect twenty-four months after October 15, 1992. October 15, 1994, those sanctions will be imposed if we don't meet the requirements of the Clean Air Act.

So I would just say that we are working on this problem. John Pachuta to my right has been involved. He's the one who appeared before Judge Bechtle countless times when

we were sanctioned in 1983/1984 period. Luckily then we were only sanctioned in one portion of the State. It only lasted for nine months and then we were able to use the Federal funds in another portion of the State. So we didn't lose Federal funds, but with the impact on our economy and the impact on jobs we can't consider losing $900 million in Federal Highway and Bridge Funds because we don't have a program.

On the other hand I don't think it's wise of us to develop a program if we can't get the requirements for the program from the agency that's supposed to give it to us, the Environmental Protection Agency.

I think PennDOT will do its job and I think State Government will do its job. and I think the fact that you have a hearing on this matter shows that you're interested in our doing this job. But it's time now for the Environmental Protection Agency and the Bush Administration to do their job.

Thank you and I'll be open to any questions.

CHAIRMAN McCALL: Representative Daley.

BY REPRESENTATIVE DALEY:

Q. Mr. Secretary, you and I have had this conversation before and maybe it's in order, maybe not. I really feel that it's about time we did this for all of Pennsylvania simply because of the fact there are twelve counties in Pennsylvania that now have to undergo this emissions testing program, one of which is the county I represent.

The thing that bothers me greatly is the position throughout Pennsylvania by many people that the other parts of Pennsylvania basically don't pollute. And in essence that has offended many of us that have to represent constituencies that have to get their cars tested. Number one.

Number two is, to add insult to injury, a Federal Judge, Judge Bechtle, held Pennsylvania hostage for many months, as you know, to the tune of about $540 million of Federal Highway money. That was a hammer they used then for us to implement this program.

But the travesty I think was the zip code and many communities were zipped out. If you live on one side of the street and you lived in a municipality say like Malvernon in Fayette County, you were zipped out. But on the other side of the

road if you had a certain zip code you were zipped in.

And to add insult to injury many politicians that served in this Legislature, both in the House and Senate, their hometowns were zipped out. The former Majority Leader Jim Manderino, his hometown, Monessen, was zipped out. State Senator Barry Stout from Washington County, Bentleyville was zipped out. And ironically my hometown in California, Pennsylvania, was zipped out. My mailing address was R. D. 1, Coal Center, so in essence even though I lived in the rural part of my hometown I was zipped in.

So I find it sort of a tragedy and a travesty that we have had for the last several years to inflict upon certain areas of Pennsylvania a mandate that wasn't really on all of Pennsylvania. So I think maybe we're moving in the right direction.

My philosophy, and I have legislation I've introduced, is either abolish the program for everyone or make it for everyone. I mean that's only fair. That's the way government best works where it services everyone and government is equally proportioned among all the people.

The centralized program, and I'm sure you've taken this into consideration, the DER and the EPA is now setting certain mandates for local ma and pa gasoline stations, filling stations, service stations, to come into compliance in terms of the types of fuel tanks they have.

Many of those people are now facing the option of going out of business because they simply cannot come into compliance with DER regulations.

So you've seen a gradual erosion throughout our communities of losing the hometown service station that did all the service on your vehicle.

Those people are the people who are going to have to buy this equipment. And quite frankly I'll submit to you, Mr. Secretary, that those people aren't going to be there in the next ten years, because they're just simply being driven out of business by the big conglomerate oil companies that have the stations throughout Pennsylvania.

I would suggest if a centralized system is developed and set forth in Pennsylvania that we seriously think about an option in which the

Commonwealth of Pennsylvania will reimburse those people, those ma and pa service stations that have spent $5000 and $10,000 for I/M equipment that was purchased and we go back and reimburse them.

Also, it really offends me, and I know it offends you too, that the Federal Government has a tendency to hold the hammer over our head. And one time it was $540 million. Now it's $900 million in highway and bridge projects.

I think it's time that they come up with a bonafide program via regulation or through statutory requirements. And, Mr. Secretary, I support a program that is punitive to all Pennsylvania as it is punitive to twelve counties in Pennsylvania.

Q. Well in response I'm not sure I can remember all your questions. I hope you were zipped in today.

CHAIRMAN McCALL: I don't think it was a question, Howard.

Q. What did you say about zipped?

A. I said I hope you were zipped in today. I remembered that part of the question.

Q. I'm zipped in.

A. Very good. First of all, there will not

be partial counties under this program because we are part of the Northeast Ozone Transport Commission. So it has to be total counties.

It has to be those thirty-three counties and the question is should we do it in the other thirty-four counties.

Well in the thirty-three counties that the testing will be required, eighty percent of the vehicles are registered. So that is a strong case for only doing it in the thirty-three counties. Because I think again you're going to get the most impact for the dollars that you put into the programs as far as cleaning up the environment which is really our intent.

It is not the intent of the Federal Government either to place sanctions. It's their intent to have us clean up the air. And the stick that they have is that the Federal law does say that there will be sanctions.

I don't know that I can go much further than that, except the people in McKean County and Potter County, up along that northern tier, it would not be very cost effective if we have a centralized program to have the testing up there since there are so few vehicles, and maybe it

would only be open once a week if you do that.

With respect to the reimbursement of the existing stations, the mom and pop stations as you call them, Representative Daley, we don't have any plans to do that but that was part of why we said maybe we could phase it in so that they could get the return on their investment over some period of time. But again, we need to know that that will be accepted.

But the one thing I do know is that every method that I've heard about for cleaning up the air, I have heard that the enhanced centralized I/M program does the best job in providing cleaner air of the other options that I've heard about.

I don't know if that's what the gentleman and lady before me said this morning, but that's what I know from my knowledge.

And those sanctions by the way at this time are not-- The EPA doesn't have any discretion in those sanctions. Those sanctions are mandatory.

The only thing we don't know is whether after eighteen months they'll impose Sanction A or Sanction B, either Federal highway money or the two for one provision. But after twenty-four

months they must impose both sanctions.

So clean air is an environmental issue certainly. It's a job issue certainly. And it's a transportation issue.

I know that Representative you're very aware of the fact that I made commitments to a billion dollar highway reconstruction lettings starting fiscal year 1992/93. And we're going to do that and even exceed at that.

We made out very very well in the Surface Transportation Reauthorization. In fact most states are jealous of me and they say it kiddingly. I don't know if they mean it kiddingly when I meet on a national forum, but we want to use those moneys for the purposes for which they're intended.

I think trying to expand it to the rest of the State, I don't know if that is politically feasible or not.

One member of our distinguished Legislature indicated to me that the way that this got passed the last time since it was only portions of eleven counties, is all the legislators who weren't impacted by the I/M program were the ones who provided the votes.

Q. That's absolutely true.

A. That will not be possible this time because there will not be anywhere near the amount of votes from the other thirty-four counties in order to pass this legislation.

Q. I should say that we in the twelve counties that debated this vigorously on the floor, it felt sort of like Custer at the Battle of the Big Horn. We realized that we didn't have the troops to sustain our battle.

But I submit to you, Mr. Secretary, that it should be fair for everyone in Pennsylvania if we're going to apply this. I know there's political realities that have to be considered. Forty-five counties out of all the counties of Pennsylvania simply I don't think is fair. Number one.

Number two is, I find your logic that it may not be cost effective for someone in McKean County to travel to a centralized location, it's also applying that logic it would be saying like since they live so far out in McKean County we shouldn't send them an income tax form because the post office is too far away.

They still live in Pennsylvania and they

still abide by the laws of Pennsylvania. And what's fair for one that operates a vehicle in Pennsylvania should be fair for everyone.

A. Just to respond. This is a Federal requirement. If we go further than the Federal requirement that's because the State wants to do that and, you know, I will serve at the will of the members of the Legislature.

Q. You can rest assured that I'll have an amendment to include all of Pennsylvania.

A. No comment. Thank you very much, Representative. Is that before you get your law degree or after?

Q. It depends on when you introduce the legislation.

BY CHAIRMAN McCALL:

Q. Tell me, Mr. Secretary, the thirty-three counties or the additional twenty-two counties that are now represented, represent what percentage?

A. Eighty percent of the registered vehicles.

MR. PIRRITANO:

A. Of the vehicles that will be tested, the passenger cars and light trucks, a little over eighty percent. About eighty-three percent or so are in those thirty-three counties currently.

Q. Do you have any type of game plan at this point or are you still waiting for the EPA to come up with their regulations?

How long would it take you to implement, or how long would it take you to get on line with either going with a centralized or decentralized system?

SECRETARY YERUSALIM:

A. My problem-- By the way, let me introduce Mario Pirritano who is my Deputy Secretary for Safety Administration, who is here with us.

My problem is that they're writing eighteen months. We're not sure we can do it in eighteen months because we need a law, we need the regulations, which sometimes themselves take eighteen months to two years. We don't know when the legislation was passed.

Also, we need to know the answer. Do we just need a request for a proposal to implement, or do we actually have to have the inspection on line by these deadlines?

We've been lead to believe that it's somewhere between the two. You know, if we've shown we have the law, we have the regulations and we're in the process I think we'll be okay. But I

don't know that for sure.

Again, we need the Federal regulations. It's just not proper for them to pass a law and then not give us the guidance as to what the law means.

Q. The way I read it there are deadlines imposed and those deadlines are in black and white, and that EPA has no discretion to go around those deadlines.

A. And even if EPA did, Representative Daley and probably the rest of you remember it wasn't EPA that caused the sanctions the last time; it was the Delaware County Clean Air Council who sued us in Federal Court that caused those.

So even if EPA felt that, gee, we didn't give you the regulations in time therefore you can't have the program implemented, they would probably have no say because they are mandatory and some outside group would probably sue and would probably prevail.

Q. Is it possible for the Department of Transportation to administratively adopt California emission regulations without legislative approval or legislative oversight?

A. Mr. Pachuta is telling me that we were

advised by counsel that we could do that.

Q. That you could do that?

A. Yes we could.

John, can you give the reason for that.

MR. PACHUTA:

A. It's my understanding that Legal Counsel reviewed the current statutes for standards for vehicles and felt that in the Vehicle Code we were permitted to adopt those standards as we saw fit.

Under the Federal law since you have the option of taking either the Federal standard or the California, but no other, that the California would be acceptable.

Q. Are you doing anything in that regard at this point? Because I'm sure the Legislature is definitely going to want to have some type of input on that issue.

SECRETARY YERUSALIM:

A. We have not started anything yet. That would probably be the Department of Environmental Resources.

MR. PACHUTA:

A. We're working with them. The Transportation Committees obviously would still have oversight over any regulatory change that we

would undertake. So even if we did do it this Body would get a chance to take a look at that before it was enacted or adopted.

CHAIRMAN McCALL: Representative Markosek.

REPRESENTATIVE MARKOSEK: Thank you, Mr. Chairman.

BY REPRESENTATIVE MARKOSEK:

Q. Mr. Secretary, you made a very good presentation and it sounds like we have a little bit of a problem here in not really having enough direction from the Federal Government at this time. And I understand that the Department of Transportation will do their very best to stay within the confines of the regulations that we have from the Federal Government.

The question I have, of these thirty-three counties that will be affected, what percentage of PennDOT road money, Federal road money would be directed towards those?

Would it be a pretty high percentage? Eighty percent of the cars are in that area. Would you say eighty percent of the highway maintenance money is also in those areas?

A. I don't want to give an exact number

because we constantly work with members of the Legislature and our State Transportation Commission. But if we looked at our program you see because this is all the urbanized areas of the state, you would see that a significant amount of the Federal dollars would be spent in those counties.

And to the best of my knowledge I don't know that we would only be restricted to Federal dollars in those counties. We might be restricted in the whole State. We might have sanctions.

John, do you know the answer to that?

MR. PACHUTA: I don't think its been decided yet.

SECRETARY YERUSALIM: John says he doesn't know if its been decided yet. So we run the risk of not being able to use the money.

Also, last time what we couldn't use in Southeastern Pennsylvania we used in other parts of the State and then we made it up to Southeastern Pennsylvania afterwards.

REPRESENTATIVE MARKOSEK: I remember in 1983 when we passed the current law, we had a debate about including the entire State. It was an amendment to the current bill, or the current

law, which failed.

I was like Representative Daley supportive of that. Probably would support that again. However, having seen that amendment fail I was - and I'll correct my esteemed colleague - I was one of perhaps a few legislators whose District was within the testing period, or the testing area, that did vote for the current program.

And the reason why I voted for it was because I knew we had a lot of road dollars out there that were far more important than, you know, I think it was the most important thing at the time in my opinion in my District, where we needed a lot of work and I'm sure a lot of members here need that same road work today.

While I don't think anybody here is prepared to say we're going to vote for this or not vote for it at this particular time, it looks obvious to me that once we get a plan that is as fair as we can get it, and it's probably never going to be a hundred percent fair, but as far as we can get it, it's not going to pass if just legislators from the areas that are not affected are going to be the ones that vote for it.

Assuming that we are unable to get the entire State involved.

So I think just as a comment that if we as legislators - and maybe this is a little message to my colleagues - want to see this road money come in, and I certainly do, we cannot afford to lose this $900 million. It's as simple as that.

We have no choice on this program. I would urge that we get the fairest program that we can and then hopefully enact it in as quick a manner as we can so that we do ensure that the road dollars that come into your Department eventually gets down to benefitting our constituents in our Districts.

Thank you.

SECRETARY YERUSALIM: By the way, let me just add, the $900 million, we're going to average $934 million a year onto the Federal Reauthorization. So that's only one year. If we go over one year it could be doubled, tripled. It's something that's just the economy of the Commonwealth of Pennsylvania can definitely not afford not to meet the requirements of the Clean Air Act first for the reason that it was passed,

for health reasons. And secondly, for the economy of the Commonwealth of Pennsylvania.

REPRESENTATIVE MARKOSEK: We cannot afford to lose that money.

CHAIRMAN McCALL: Thank you, Mr. Secretary.

SECRETARY YERUSALIM: Thank you very much for changing your schedule.

CHAIRMAN McCALL: Bruce Diehl. Bruce is with the Vehicle Emissions Inspection Program in Maryland. And I had the pleasure of meeting with Bruce I guess about a month ago.

Bruce.

MR. DIEHL: Mr. Chairman and members of the Subcommittee on Transportation Safety.

I am Bruce Diehl, the Motor Vehicle Administration, the State of Maryland. I am the Director of the Vehicle Emissions Inspection Program for the State.

We have a centralized contractor operated program which we're into our ninth year of it right now.

Prior to this position I spent about twenty-seven years with the State Police and developed and administered safety inspection

programs. So I've had experience in both the centralized and decentralized operations.

Our initial law was enacted in 1977 and within that Statute we were very limited to the selection we could make. It's either a state owned and operated or a contract operated centralized program.

The options that we looked at in that was the actual capital costs and everything and we opted for the centralized contractor program.

This means that we had no capital outlay to implement the program. All of the land acquisition, the construction, the equipment and the operating personnel of the station were employees and were borne by the contractor. The only costs to the State were the actual administration of the program.

That program because of uncertainties of the Clean Air Act had a five year life to it. We had a sunset clause where the program was due to expire December 31, 1988.

That program was centralized and involved about 1.7 million vehicles tested on an annual basis.

In networking the system of the

vendors who had submitted bids for the proposal, which we put out, we looked at convenience to the motorists. One of these was that our requirements were that the stations would be located where eighty-five percent of the vehicles would be served in that area were within the twelve mile straight line distance. Which meant a fifteen to twenty minute drive for eighty-five percent of the people.

The remaining portion of the population to be served was within a twenty mile straight line distance.

With that setup, and we used the county boundaries, that program and what we're doing right today involves seven counties plus Baltimore City which is the Baltimore and Washington Air Quality Regions. This area is about seventy percent of our vehicle population.

That system was set up and what we ended up when we implemented the program on February 1, 1984, we had a network of ten stations and forty-eight lanes.

The stations were operational forty-eight hours per week. Tuesday through Friday from 9:00 a.m. to 7:00 p.m., and Saturday from 8:00

a.m. till 5:00 p.m. And the stations were closed Sunday and Monday.

That program continued through December 31, 1988, and then during the 1988 Session of the General Assembly the program was reauthorized for an additional three years, through December 31, 1991.

There were some rather significant changes made at that time. One, we went from an annual test to a bi-annual test. We then included vehicles up to and including 26,000 pounds gross vehicle weight.

The initial program was tailpipe test only. Beginning in 1989 we added a two parameter emission equipment tampering inspection. The inspection for the presence of the catalyst. The inspection for the presence and the condition of the fuel flow inlet restrictor.

Because we only had about five months time from the time the legislation took effect until implementation date, we did not have sufficient time for an RFP, and with that we issued an invitation for bids. This is a basic emergency two step procedure where we received a sealed technical proposal and sealed price

proposal. If they met the technical end of it then we would open the price proposal.

Our first program we had two bidders and the second program we had two bidders. The first program both were deemed responsive. The second program, one of the offers did not meet the technical proposal so, therefore, his price proposal was returned to him unopened.

That left us with the current contractor which we had for the first five years and we now have. And through contract negotiations with them we entered into a contract which would carry through the year of 1991.

As we're all familiar the Clean Air Act Amendments of 1990 were in the offing during this time, so that program we made no significant changes. But due to Sunset on December 31st of '91, our '91 session of the General Assembly reauthorized the program through the year 2001.

They put a little bit of restrictions on us that the procurement process went into effect July 1, 1991. Other procedures go into effect December 31, 1992.

So we are in the process now of developing an RFP under an enhanced I/M program to

meet the mandates of the Clean Air Act.

What we are looking at now is based on the best information that we have within the past few days from EPA of developing this program.

My verbal testimony at this point will be in generalities because we do have two potential vendors in the audience. We do not want to give anybody an unfair advantage. Our RFP should be on the street probably in the next thirty or forty-five days.

But we are also looking at this time, and it is included in my written testimony, again, we're looking at customer convenience. We're looking at the cost to the customer. We're looking at what do we have to do to meet the mandates of the Clean Air Act.

Some of these things we're looking at is the high tech test area, the 240 test of what vehicles is it going to apply to. Our initial blush is '81 through current model years.

We have not decided on what type of test for the pre-1981. We also have some questions that are raised on the heavy duty vehicles we test, what type of test on that.

We will probably be requiring the

pressure test on the evaporative system '77 through current model years and the purge test on probably '81 and newer.

Based on the best information that we have available is that the test fee itself to the public would probably be in the neighborhood of somewhere $15 to $20.

What we would have to look at, our program is user funded. That the test fee throughout the history of our program has been paid by the vehicle owner and that includes, for example, from '84 right through today.

Our test fee has been '84 through '88, $9 per year to the customer. Out of that the contractor retains his portion and the State portion for administration of the program was remitted to us on a monthly basis.

That in itself averaged over that first program fifty cents per vehicle up through $1.50 per vehicle.

What we have for '89 through '91 is the test fee on a bi-annual basis will be $8.50, which is $4.25 a year. Of that the contractor retains $6.30, we receive $2.20, which covered our administrative costs.

But after putting out the fires then we were able to address the issues of what were the problems and we resolved those.

We have a program right now that EPA looks on as a model of the other states. We have come out very well on all of their audits. Their most recent audit which involved six states involved one of ours.

We have had to look at public appearance rates because we schedule the vehicles for testing. We get the notice to them thirty days before the month they're tested.

We found over the past eight years that roughly twenty-six percent of these people will wait till the last five work days of the scheduled month.

Needless to say with an annual program if we were talking about 170,000 a month that was a significant number. And we have backups. We developed plans of rerouting the vehicles in that.

But when we went to the bi-annual program we also extended the hours of the station. We are open fifty-four hours a week now. We have Monday eight till six. Monday through Friday eight to six. And eight to five on Saturday.

These were based on appearance rates of the people before.

We have queuing areas full at eight o'clock in the morning and nobody there after six in the evening. After probably twelve o'clock on Saturday there was nobody there. So we changed the hours to what five years experience told us and the people changed their hours.

But what we have found is we've eliminated the traffic backup problems. We have heavy days still at the end of the month. But with very few exceptions the vehicle traffic does not leave the station property.

We also have the procedure set up that any vehicle that's on station property at closing time, that vehicle will be tested. So there could be as much as an hour longer of hours if the queuing log is completely full.

But these are the things we've learned over the years. Things that we will be applying to the new program.

We have some specific issues that we have looked at of the testing equipment for the heavy vehicles or for the full time vehicles. And generally issues are the same as we've had before,

the convenience to the public.

One of the things that we have within our contract is the contractor cannot be involved or associated with any emissions related automotive repairs. So it's totally divorcing repairs from the testing procedure.

To enhance that a little bit we have a voluntary certified emissions repair facility program where any business that wants to apply, if they have the properly trained people and the equipment then they can have a sign that indicates that they're certified by the State that they are trained to do emissions repairs. We have approximately 400 of these through the emissions testing area right now.

We also have a portion of our program which is decentralized, where State Government, Local Government, Federal Government, business entities that have twenty-five or more vehicles then they can be certified to test only company owned vehicles.

This end of it in our program means in the neighborhood of about 30,000 vehicles a year. That we think will probably fall by the wayside in the enhanced I/M because we do not believe that

these businesses will have the investment in the cost of the equipment to do a high tech test. What that would mean, those vehicles then would be filtered back into our system.

And that is basically about where we stand right now. We have some target dates of implementing.

We found in the initial program that it was about eighteen months from the time the contract was awarded till we were operational.

Right now we have one thing in our favor, we have the enabling legislation. We are in the rules and regulation development process and we are in the RFP development process.

Again, we're looking here because we're going to have to pick up six more political subdivisions in Maryland. We only have twenty-four but this will give us fifteen of those areas will be in the emissions program.

We have a little distinct part that I live in Cecil County, that falls into the Philadelphia/Trenton/Wilmington area. So I'll probably have to move from Cecil County.

But we are estimating a total of about 2.7 million vehicles over a two year period. So

about 1.4 vehicles will be tested on a yearly basis.

I'll be glad to answer any questions you may have.

CHAIRMAN McCALL: Thank you, Bruce.

BY CHAIRMAN McCALL:

Q. Tell me, Bruce, on a decentralized portion you don't allow any service stations to do any of the testing, it would just be basically a centralized system? The only decentralized portion would be businesses that have twenty-five or more cars?

A. Twenty-five or more emissions effected vehicles.

Q. But as far as service stations, privately owned service stations, say they want to go out and buy the equipment, would you allow them to then do the inspection?

A. No.

Q. No. It's strictly a centralized operation as far as the operation is concerned?

A. Strictly a centralized operation.

Q. You have what, $4.5 million in administrative costs. Can you explain--

A. This would be under the enhanced I/M

because again we're picking up additional areas, so that's going to mean more personnel.

Just as an example, I have State personnel assigned to every station during all operational hours. So that's an administrative cost to me.

Q. Is he a troubleshooter for the State?

A. Yes. He handles the waivers. He handles our first line of contact with the public. He resolves disputes. He also monitors the contractor's operation.

On our end of it, on the other end then we do covert where we run vehicles through the station. Then our Department of Environment does monthly unannounced calibration audits of all the equipment in every lane. So those costs are all included in our administrative costs.

Q. Does Maryland do safety inspections?

A. Upon transfer of ownership only.

Q. Okay. And that is separate? That safety inspection is separate from the--

A. Right, that is a decentralized program.

Q. How much of the fee does the State get?

A. Right now the State gets $2 for every initial test.

Q. For every?

A. Initial test. And every retest beyond the first. Our system is set up the initial test $8.50 includes one free retest. So of that $8.50 we receive $2.00 of that. Then any retest beyond the first freebie is $8.50 also and we receive $2.00 of that.

Q. So the program basically pays for itself?

A. Yes.

Q. What about the siting of the locations? I remember when we were down looking at the centralized, as far as the centralized system was concerned, whose responsibility was it to determine the site, pick the site, and then go out and purchase the site? Is it the contractor's responsibility?

A. Yes. The contractors propose a site and then the approval of that site was up to the State under the RFP.

Once the site was approved then the contractor purchased the land. He did the construction of the building and had equipped the building.

Q. It was up to him to get all the permits, necessary building permits?

A. Yes.

CHAIRMAN McCALL: Representative Hess.

BY REPRESENTATIVE HESS:

Q. The buildings and so forth, the standards, was this all done by the State specifications? You supplied the vendors and the contractors with the specifications as to the size, type of building, and so forth?

A. No. The contractor proposed that.

Q. He totally made the proposal?

A. Right.

Q. You gave him no guidelines?

A. No. He had some basic guidelines that they would fall into the structures in the local area. That it complied with all local codes. That they were so located where they would not interfere adversely with traffic on that. And then they would have to meet both local and state construction standards.

REPRESENTATIVE HESS: Thank you.

CHAIRMAN McCALL: Thank you, Bruce.

Jim Bastone from Automotive Service Association of Pennsylvania.

MR. BASTONE: My name is James Bastone. I own and operate an automobile repair facility in Pittsburgh.

I am speaking today on behalf of Automotive Service Association of Pennsylvania, which represents over 1500 automobile repair and body shops in the state.

I have participated in the I/M program that currently exists in the Pittsburgh area since its inception.

To participate in the program I was required to buy an analyzer which cost in excess of $7500, pay $125 a quarter fee for a company to come in and pick up the information from the cassette for the State, and was locked into a maintenance contract the cost of which skyrocketed during the program.

During that time while all the inherent costs were increasing we in the industry were limited to charging $8 per test, reflecting only one increase from the original $5 per test cap in the initial enabling legislation.

The Legislature and the Governor's Office refused our request for a reasonable increase.

With that background I'm not going to tell you that the decentralized emissions program has been a bed of roses for the automotive repair

industry. However, the other reality is that the Pennsylvania motorists have been used to "one stop shopping" when it comes to their state inspection requirements.

In Pittsburgh more often than not the customer drops his car off for the day, gets the safety and emission inspection performed at the same time, and whatever repairs are necessary.

Prior to my coming here today I did an impromptu quiz of some people in different stores and department stores and that, that I just happened to go into. They had no idea what I did for a living or where I was coming from, just happened to talk with them. This was after Sunday in which an article about this meeting was in the Pittsburgh Press.

To a person, I'm talking twenty to twenty-five people, not one of them wanted the present program changed. They do not want to drive the car somewhere else. They have been inconvenienced enough as far as they are concerned. They don't want to take it to another facility and if it should fail, drive back, have the repairs made and then go back and have the car retested. They don't have the time for that.

New car dealers would have to put a sticker on the car prior to delivery. Are they going to be required to hire someone to take the vehicles to an inspection station just to perform this, adding to the cost of the automobile?

The State certainly seems to be leaning toward a centralized system. I feel that most of our membership would support a decentralized system if the option selected provides for use of a Bar-90 or similar piece of equipment.

All we have heard about is $150,000 or $200,000 piece of equipment with a dynamometer. That's the ultimate enhanced program. The EPA has not come up with any standards yet and the Bar-90 equipment is the only piece of equipment that has been mentioned that is qualified to do the testing, and it does not cost anywhere near that figure. What I have heard is closer to $25,000. Which would be the equipment necessary to do the repairs if you wanted to service the vehicle and put it back on the road.

However, if the preponderance of concern leads us to a centralized system, several elements would be critical to ASA if we were to

support such a program.

First, any company or its subsidiary which was performing centralized tests would be prohibited from doing repairs.

Second, the centralized testers would be prohibited from doing safety inspections. Most observers agree that our safety inspection program works as well as any in the country. You have competition in the marketplace that would not occur in the centralized system.

Third, the workable system is needed for a retest system. The question of what happens when a person fails the test, and who performs the retest is a critical unanswered question. Remember, if we go centralized the potential here is for motorists to spend not one day, but three days to rectify their responsibilities under the law.

Fourth, some consideration needs to be given to shops who have purchased equipment for the current program and may now find the equipment useless under the new program.

With the convenience of the State inspection program was one of the reasons that the emissions program was tied into the safety related

program in the first place.

Maryland at this point I do not believe has a safety program that is mandated by the State. So that for their consumer to go to a garage is just one inspection. Where they have to go to a centralized location is just one inspection.

Though we have heard two figures given out by EPA on what they calculate the cost to be at $18 or $20 per test. We've been doing the test for $8 using a piece of equipment that cost $7500 and we're not making money on it. They're going to do the test bi-annually for $10 a year or $9 a year for a piece of equipment that runs between $150,000 and $200,000 a year and turn a profit. I have a problem with that. I'd like to see the data from the EPA to prove those figures.

I appreciate the opportunity to participate in this hearing today. We look forward to working with you as the program unfolds.

CHAIRMAN McCALL: Thank you, Jim.

Jim, I have a question

BY CHAIRMAN McCALL:

Q. When you speak to the centralized tests

any company or subsidiary doing a centralized test and that company would be prohibited from doing repair work; I think one of the things that you may see with this legislation is that anybody who does the test, be it a service station or a centralized operator, that they will be prohibited from doing repair work.

A. I haven't seen anything to that effect.

Q. Well I'm just-- For your information, that would be something that I as well as I'm sure other members of the Legislature would like to see.

With the threshold going from now $50 to $450, you know, I don't want to put motorists in my area in the position of having the chicken or the fox guarding the hen house so to speak.

A. Well I don't think you have that with the program as it is right now. The only complaints that I have heard that they were cheating, and again they said it was a small amount, was to doctor cars to pass inspection, not doctoring cars to make them fail the inspection.

Q. Well I think with the $450 threshold now the incentive is going to be just the opposite.

A. Well you still have a regulatory factor

there and a lot of the items that are on the car are going to be mandated that they be warranted for 100,000 miles.

Q. Okay. Well we'll just say for the sake of your Association, would your Association support or not support, if you're doing the test do you think you should be able to do the repair work?

A. Absolutely.

Q. You thing you should be able to?a

A. Yes.

CHAIRMAN McCALL: Any other questions?

(No further questions)

CHAIRMAN McCALL: Thank you.

We are going to recess for about a half hour until one o'clock. And at that time we'll have Secretary Davis.

(Hearing in recess.)

AFTERNOON SESSION (1:15 p.m.)

CHAIRMAN McCALL: I'd like to call this meeting back to order.

At this point in time we'd like to call the Secretary of the Department of Environmental Resources, Secretary Davis.

SECRETARY DAVIS: Thank you and good afternoon Mr. Chairman and members of the

Committee.

I have with me Gary Triplett of our Bureau's Air Quality who can help me in any technical questions which I might not be able to handle.

I really do appreciate the opportunity to come before you today to discuss the transporta- tion issues related to the Federal Clean Air Act.

It took Congress and the Federal Government over a decade, it took them eleven years to debate and amend the Clean Air Act. But the law they finally came up with gives the states very little time to meet some extraordinary obligations, and there are tremendous adverse consequences for Pennsylvania if we don't meet them.

This is a situation which calls for leadership from all of us if we are to escape unscathed economically from the box into which the Federal Government put us. And the people we represent will be hurt if we don't take that role to heart.

Although most parts of the Clean Air Act require the United States Environmental

Protection Agency to promulgate a standard, provide guidance or rule which the states are to adopt, that's not the way it's working out in practice.

EPA is in fact late with many of the products that were supposed to be in final form already. And this morning Regional Administrator Ted Erickson confirmed that.

In order to meet the tight statutory deadlines, states are being required to make decisions before they know the standards by which the acceptability of their decisions will be judged.

We have some general guidance in the law but definitive standards are still lacking. If we don't fulfill our obligations according to the aggressive schedule laid down in the Clean Air Act, Pennsylvania could lose billions of dollars in Surface Transportation Act funds.

Funding of highways and other transportation projects throughout the state will grind to a halt.

In addition, EPA could impose conditions upon new industries that would make it virtually impossible for them to locate in more polluted areas.

These aren't idle threats. There is no discretion in the law. These sanctions are mandatory.

There is no question that we do need to take action to improve air quality in Pennsylvania, where nine out of ten people were exposed to unhealthy air due to ozone in the last four years. Our very State Constitution guarantees our citizens the right to clean air. We take that responsibility very seriously.

But, given the tight deadlines, mandatory sanctions and lack of EPA action, we have some very tough decisions to make. We all have a role to play in making them.

Governor Casey has designated DER to lead Pennsylvanian's efforts to implement the Clean Air Act requirements.

The General Assembly, DER, PennDOT and other agencies need to work in partnership to make sure that we meet our obligations under the Clean Air Act and not threaten the economic well being of the Commonwealth.

The recent amendments to the Clean Air Act recognized that major areas of the country failed to meet health standards for ozone by

deadlines that had passed years ago. As I recall the deadline in Philadelphia was passed in 1987. I think the one in Pittsburgh even earlier than that. The amendments therefore devised a new strategy dividing the areas which did not attain ozone standards or "nonattainment areas" into several categories.

Progressively more comprehensive emission reduction requirements and specific prescribed measures are mandated for the more polluted areas.

The Act sets new dates to meet ozone standards for each category as well as time tables for states to take certain actions.

The clock for those actions started ticking from the date of enactment of the Federal law. Most of these timetables are not dependent on any regulatory action taken by the U.S. Environmental Protection Agency. We must meet the deadline whether or not timely Federal action has been taken.

In addition, the Federal law includes all of Pennsylvania with other Eastern Seaboard states from Massachusetts through Northern Virginia in the Northeast Ozone Transport Commission, which

is charged with addressing ozone on a regional basis. Pennsylvania's inclusion in that region requires other specified measures and will affect our clean air strategies in the future.

The attainment and emission reduction deadlines as well as prescribed measures are detailed in the attachment to this testimony.

It is important to note that, particularly in Southeastern Pennsylvania, simply taking the minimum measures specifically prescribed in the Federal law will not bring Pennsylvania into compliance with the Clean Air Act.

We will have to identify and implement additional measures, because we are clearly mandated to do what we must to ensure that Pennsylvania meets and maintains the public health standards established by the Clean Air Act.

The law has a long laundry list of reductions which must come from factories and other stationary sources that generate air pollution.

We will be required to regulate smaller sources of air pollution, more kinds of sources and to regulate some kinds of industry more stringently. Some diffuse sources such as

the consumer use of solvents and paints will most likely be regulated by the Federal Government.

In short, all segments of our society must contribute to our efforts to meet Clean Air Act mandates.

We've made a good beginning. Legislation amending the State Air Pollution Control Act which will give DER needed authority and revenues has been introduced in the House and is before the House Conservation Committee.

Several of the required regulations are either effective or in the pipeline. We have begun to develop much of the rest.

We have been working on tasks like establishing a baseline inventory of emissions, so that we can measure and demonstrate our progress toward meeting standards. But we have a lot of work to do and the first major submission to EPA is due in about nine months.

At least half of the chemicals that cause ozone, volatile organic compounds and nitrogen oxides, comes from vehicles or "mobile sources." Therefore, transportation measures are extremely important to overall ozone reduction. The new Federal law puts some real teeth in

insisting that our vehicles and transportation system be part of the solution, not part of the problem.

Even though we have made great strides in reducing the air pollution that comes from cars, the sheer growth in the number of cars and vehicles miles traveled have offset much of the benefit. Since 1980 the number of cars and light trucks registered in Pennsylvania has increased by over thirty-five percent and the vehicle miles traveled by about twenty percent.

Let me briefly discuss some of these transportation-related emission reduction measures. They encompass a comprehensive and targeted strategy for reducing emissions. In addition, I will also describe some of the prescriptive measures required in the Philadelphia area.

We will have to control emissions from cars in use, reduce the number of miles we drive, reduce pollution generated as a result of our transportation system, and change the composition of fuels we use in our vehicles.

Federal studies show that emission controls on cars deteriorate substantially: the average car on the road emits three to four times

more pollutants than it did when it was brand new. I believe this point has been made by previous witnesses.

Also our cars now with their computers are entirely different in terms of how they need to be measured from what they were some years ago.

So the Clean Air Act prescribes an unimproved program called "enhanced" inspection and maintenance, and that will be required in thirty-three counties in Pennsylvania.

An inspection/maintenance program must provide a measure of assurance that the emission reduction achieved by new car standards will not be lost in subsequent years.

We cannot accept deterioration of the emission controls on new vehicles if we are to achieve and continue to meet the health-based standards.

We also must take measures to ensure that transportation improvement projects do not increase air pollution. Specifically, DER is charged with the responsibility of reviewing Transportation Improvement Plans to make sure they are consistent with air pollution control strategies in our State Implementation Plan. The

two must go together. This means that if a project increased air pollution in a polluted area, it can't be built with Federal Funds.

Another important element is improving our fuels so that they burn more cleanly. On September 25, 1991, Governor Casey advised EPA that Pennsylvania will participate in the Federal reformulated fuels program for all nonattainment areas. Reformulated fuel will emit fifteen percent fewer volatile organic compounds and toxic pollutants than present fuels.

DER is working on additional emission reduction actions prescribed by the Clean Air Act for the severely polluted five-county Philadelphia area.

First, in order to control carbon monoxide, we have proposed a regulation to require oxygenated fuels during winter months.

Secondly, we are working in cooperation with PennDOT, the Department of Commerce and the Regional Transportation Agency on required measures to reduce commuting trips for employers of more than one hundred people, to reduce emissions from large vehicle fleets and to devise other transportation control measures to

compensate for the growth in vehicles and driving miles.

Especially in Philadelphia but also in the major urban areas around the State categorized as "moderate" nonattainment areas, we are going to have to prove to EPA that our strategies for mobile and stationary sources will reduce emissions by fifteen percent and offset all future growth in emissions. This means that measures like enhanced vehicle inspection and maintenance, Stage II control at the gas stations, and reformulated gasoline which reduces emissions cost effectively are essential.

The Governor has also announced that Pennsylvania will participate in the California low emission vehicle program, as will our neighboring states. This program I know is controversial but I think clearly it's coming and will move us gradually toward cars built specifically to offset the long term growth in a number of the motor vehicles and the vehicle miles we travel.

To return to the issue of enhanced inspection and maintenance programs, we are first required by law to implement a program that meets the EPA requirements. As you heard, we don't know

what those requirements are yet.

Governor Casey wrote to EPA Administrator William Reily last week urging him to immediately adopt the necessary regulations so that Pennsylvania can do its part.

Beyond this, enhanced inspection and maintenance programs in Pennsylvania must also ensure we reduce emissions as mandated in the Act as well as attain and maintain ozone health standards.

In Southeastern Pennsylvania that means we must have the maximum emission reduction possible. Anything less would require us to achieve more emission reductions from other less effective transportation control measures or industries who have already invested substantially in controlling their emissions would be further severely affected.

In the moderate nonattainment areas, the inspection/maintenance program must provide enough emission reduction credits to ensure that we meet the fifteen percent emission reduction required by the Clean Air Act. We need to meet that standard by 1996.

We expect that the control measures we

have already underway, Stage II vapor controls and reformulated gasoline, will provide us with about two-thirds of the required reduction.

I am sorry I can't be more exact, but we have not yet completed the data collection and analysis that will allow us to be more accurate. And moreover, since EPA has not yet promulgated the enhanced inspection/maintenance requirements, I cannot give you good estimates of the emission reductions that would be available by using various of the enhanced inspection/maintenance alternatives that are available.

In closing, let me return to a point I made earlier.

EPA was required to promulgate a regulation for enhanced inspection and maintenance by November 1991. We are required, the states are to implement it by November 1992. The EPA has not promulgated the regulation and in fact we are now told they may not do so until the date the state is supposed to have the system in place, which is next November.

Then what? Whether EPA can grant leniency to states because an EPA rule has not been finalized will probably be decided by the

Courts. However, the law allows for third parties to sue EAP to force them to impose sanctions if EPA fails to do so on its own.

Several such actions have already been taken by parties outside government to force action where EPA is behind schedule.

We do not intend to be a test case in that issue. We want to move ahead as promptly as possible and develop a record of action that will withstand such suits and give us a reasonable defense in Court if that becomes necessary.

So, Mr. Chairman and members of the Subcommittee, we have a very tough job ahead. I'm glad to offer all possible assistance to the Subcommittee in working together to undertake a very challenging task that the Federal legislation requires us to complete.

Thank you very much.

CHAIRMAN McCALL: Questions?

BY CHAIRMAN McCALL:

Q. We hear a lot of mention of the credits that we have to achieve. Can you outline that, how that works?

A. I wish I could but as I understand it-- Do we have that yet, Gary?

MR. TRIPLETT: Are you talking about the credits which will accrue to various types of I/M programs?

CHAIRMAN McCALL: Right.

MR. TRIPLETT: That's what EPA, I think that will be part of the final guidelines that EPA will assign specific credits to specific type programs. It in fact EPA allows choices. If EPA comes out with more than one recommended strategy they will probably come out with two or more different credits.

SECRETARY DAVIS: We can speculate. We can speculate that they may have a different standard for decentralized than for centralized inspection.

We can speculate that they might have a different approach to bi-annual inspection as opposed to annual. We don't know.

We have been having detailed conversations with our Regional people in Philadelphia and they have tried to be as helpful as possible, but the bottom line just isn't available yet.

CHAIRMAN McCALL: So enhanced inspection may be three credits. If it's

something other than the enhanced inspection it may be one credit. That type of thing. And you have to achieve so many credits in order to reach attainment. That's how it basically works?

MR. TRIPLETT: There's a fifteen percent reduction requirement in moderate and severe areas. In severe areas an additional three percent a year. That's specified in the Act. That's one issue on mandated percent reduction.

The other mandate we have is to attain the ambient air quality standard. In the case of Southeastern Pennsylvania it may be that the fifteen percent plus the three percent per year may not be enough. We don't know. It's too early to project that.

But as I said there are two issues. One is a mandated fifteen percent. The other issue is attaining the standard by whatever measures you have to take.

SECRETARY DAVIS: And we really as I understand it we don't know what it's going to take in EPA terms to add up to into their requirements.

CHAIRMAN McCALL: What would the first submission be to EPA in November? November of

1992 is the first submission. What would have to be included in that submission?

MR. TRIPLETT: We've made some of the submissions already. We mentioned the Stage II. We're going to have reasonably available control technology regulations. The oxygenated fuels.

CHAIRMAN McCALL: These are all things that you are intending to do?

MR. TRIPLETT: These are things which are in progress, some of which are promulgated, some of which will be promulgated. And what they really want by November of 1992 is essentially a commitment that we will in fact carry out all of the responsibilities assigned to us under the Clean Air Act.

SECRETARY DAVIS: I might say that a very important part of that which they're going to be looking at in November of this year is whether or not the State legislation has been modified to permit us to carry forward on the program. That's going to be a bottom line concern.

CHAIRMAN McCALL: That would be one of my questions is that would it be possible to promulgate rules and regs without legislative oversight at this point? Do you feel you have

that authority right now?

MR. TRIPLETT: We can go a certain part of the way, but we cannot enter into the kind of comprehensive permitting program that the new law requires without the additional authority.

It's going to be a difficult timing problem. The regulatory process is lengthy. We are hopeful that if we have the regulations on the table before the Environmental Quality Board, perhaps out for public hearing and so forth, even if they have not finally been adopted that DPE may find that acceptable. But if not then we're going to be quite late in meeting some of those requirements.

CHAIRMAN McCALL: And that's where the threat of the loss of funds comes in.

SECRETARY DAVIS: Yes. The question then is whether or not we can make a case that we have taken the actions that they believe are a minimum necessary to meeting the requirements of the law. If not, then the sanctions fall.

CHAIRMAN McCALL: Was part of your submission in order to achieve attainment the LED low emissions?

SECRETARY DAVIS: That at best if

everybody said go today as I understand it, that wouldn't start to come into play until after these deadlines have fallen, '96 or something.

MR. TRIPLETT: 1995/96.

SECRETARY DAVIS: 1995/96 before that could become effective. So we need to move well in advance of that. That's a long term strategy.

CHAIRMAN McCALL: Just to pick your brain somewhat. When you look at the areas that had - help me here - the source or the higher levels and lows of nonattainment or severe nonattainment, when you look at the Philadelphia as compared to California that had 100 days.

What would necessitate us to try to put that type of technology into our cars when really seven days isn't as critical as maybe a hundred days in California? Why would we be going that far at this point, or looking at going that far at this point?

SECRETARY DAVIS: Well I think, and I will ask Gary to help me on this, but this has some substantial misunderstanding about what it is we're committed to in the California low emissions plan.

That is a process which has a number

of points of action. And we are committed to that process, but what we may find necessary and useful in Philadelphia may be a different point at which we ring the bell and get off so to speak than what they would in the Los Angeles Basin.

So it is not something that is a formula which needs to be followed through rigorously.

Am I right on that?

MR. TRIPLETT: That's correct. And the California standards as the Secretary indicated, are a maintenance strategy. It has really nothing to do with attaining the time schedule specified in the Act. So it's really not looking at that as something to compare the I/M for example, which is part of the attainment strategy.

The concern is that as the EPA Regional Administrator indicated this morning, is that VMT continues to increase.

SECRETARY DAVIS: That's vehicle miles traveled.

MR. TRIPLETT: Vehicle miles traveled. Sorry. Even though we do our best planning and come forward with the available strategies and

implement them, we have to look toward the future. And it appears that California will not be the only place where better vehicles will be required.

Some of the northeast states they have a consortium called NESCOM, Northeast States For Common Areas Management. They hired a contractor to evaluate the effectiveness of the California program. Their conclusions obviously are different from what you heard this morning relative to the effectiveness of such a program. But their conclusion was that the California standard as a long term strategy will in fact be required as a maintenance strategy.

CHAIRMAN McCALL: Do you think that Pennsylvania is looking at a centralized as opposed to a decentralized system if we opt into say the decentralized or centralized?

We heard testimony that there is a possibility that the Bar-90 test would be sufficient enough to achieve certain credits.

Do you have any comments on that?

MR. TRIPLETT: Well this goes back to your original question. There will be a different-- If in fact EPA would allow such a program there would be a much lesser credit given

to that.

CHAIRMAN McCALL: And if there's a lesser credit given to that then we have to pick it up somewhere else?

MR. TRIPLETT: Yes. That's correct.

SECRETARY DAVIS: Thanks Gary, that's an important point.

It is also along those lines important to understand that we're squeezing as hard as we can on stationary sources too and we can only go so far on that.

The outlook is really very very difficult. And I know that many motorists are going to consider it a difficulty and an expense and so forth to have to comply with this program, but there really is no alternative to it.

CHAIRMAN McCALL: Did I understand you to say also that if we would adopt the California emission standards that it would really have a menial effect to achieve that fifteen percent attainment?

CHAIRMAN DAVIS: We need to achieve that fifteen percent by 1996. And it's doubtful that even in California they're going to see any substantial progress. They may be a little bit

ahead of that, but not much.

No. As Gary said, it is essentially to see that we keep the gains that we make.

CHAIRMAN McCALL: Because of the vehicle miles traveled?

SECRETARY DAVIS: Yes. That's right.

CHAIRMAN McCALL: Representative Hayden.

REPRESENTATIVE HAYDEN: Thank you, Mr. Chairman.

You raised the point about achieving attainment through reduction in different kinds of control strategy.

I would suggest that not only do we talk about a trading kind of mechanism, which is if you don't get enough from all the sources you've got to get it somewhere else.

The Federal law goes even a step further for extreme ozone nonattainment. The Statue talks about mandatory, I call it a penalty, which is that if you're not in attainment by the deadline each major stationary source in the severe nonattainment area will have to pay a fee of $5000 per ton of VOC emissions over a certain baseline amount.

So what in a sense we're doing is we're saying that if we can't get the emissions credits through the mobile sources, we're just going to go ahead and put a heavy fine on the stationary sources. Which I think has economic implications beyond people having to incur a once every two year $18, $20 emissions program.

CHAIRMAN DAVIS: That's fundamentally important and the economy just can't take that kind of a battering. We're having difficulties without adding that sort of a penalty.

REPRESENTATIVE HAYDEN: The one regulatory package that I'm particularly interested in was the transportation control measure package requirement.

When do you anticipate a draft copy of that will be available?

MR. TRIPLETT: In terms of the transportation strategy, the strategy we're working on right now we will have a draft within a couple months. It has to do with trip reduction, the employer incentive program. Other measures will probably not be out for six months or longer.

REPRESENTATIVE HAYDEN: Is there Federal money available to do any of this planning

or any of this drafting of these regulations? And if there is are we taking full advantage of it?

MR. TRIPLETT: There are Federal moneys. They would go to the Transportation Department. I'm not specifically familiar with it.

SECRETARY DAVIS: There are some Federal funds for that program.

REPRESENTATIVE HAYDEN: Thank you.

CHAIRMAN McCALL: One last question. Just comments on a centralized as opposed to a decentralized system, in the law itself they are basically recommending a centralized system, unless we can demonstrate to the satisfaction of the Administrator that a decentralized program will be equally effective.

Now when we did the storage tank legislation I had three service stations in my hometown that just closed.

I would say in the town next door to me two more closed. And most of the service stations in my District anymore do not offer that type of service. There's a few that offer safety inspections, but it's really a grocery store with gas pumps.

Do you think we can effectively administer a decentralized program?

SECRETARY DAVIS: Well as a personal view or at least an observation, based on what I've learned to date, it seems unlikely to me for the reasons you just specified, not very man gas stations would like to make investments of over $100,000 in order to collect $20 maybe every other year from a motorist.

And if there is a prohibition against that arrangement in terms of being able to fix and do the repair work that's involved, then I certainly don't look forward to much enthusiasm on the part of many garage or gas station operators to make that kind of an investment.

CHAIRMAN McCALL: Well the argument is to get the return that they have to do the assembly line type of procedure to get as many cars through there to make up the money.

SECRETARY DAVIS: Yes. And then you're changing your grocery store gas station into a high volume several lanes I would suppose at least to make it work of cars going through it. It's quite a different operation.

CHAIRMAN McCALL: Other questions?

(No further questions.)

Thank you very much, Secretary Davis.

SECRETARY DAVIS: You're welcome.

CHAIRMAN McCALL: Pete Laviola and Bill Strauss, Service Station Association.

MR. LAVIOLA: I'm Pete Laviola and this is Bill Strauss.

CHAIRMAN McCALL: You can proceed.

MR. LAVIOLA: Good afternoon. As President of the Service Station & Automotive Repair Association of Pennsylvania Delaware, I want to thank you for giving me the opportunity to express my concerns over the pending changes in the emissions program.

As I express my concerns, please keep in mind that I am speaking to you not only as the President of my organization, but also as a vocational School automotive instructor, ASE certified automotive technician, and as a member of the Society of Automotive Engineers. Additionally, the automotive retail business has been a part of the current emissions program since its inception.

The decentralized program to this date has been, in my opinion, successful in spite of

the controversy over the present fee cap and the limited geographical coverage of the present system.

The quality of air across the state has been improved over the past two years thanks to the efforts by industry and small businesses. The major oil companies took the initiative to lower Reid vapor pressures in gasolines while the emissions program did its job in policing the emissions standards set up by the EPA in the most severely affected areas, although I cannot understand why the standards for the 1981 cars are the same as those for the 1992 cars. As a trained technician I can only guess that the EPA dropped the ball on this one.

Of much more concern is the growing amount of evidence that the EAP has been less than truthful to the citizens of Pennsylvania as to the true air standards that exist today.

In fact the National Academy of Sciences has recently charged the EAP with using 1988 air standards instead of 1991 air standards as mandated by Congress.

Additionally, the EPA has deliberately ignored another Congressional mandate to issue the

on-board vehicle canister data due last November and it was three months past.

My sources in Washington have reported to me the deep divisions within the EPA itself concerning a centralized versus decentralized inspections.

Obviously, the credibility of the EPA is on the line in Washington as I speak. My question to you is how can this agency, with all its credibility problems and internal chaos, be allowed to influence changes in our present system until it proves itself credible once again.

This credibility not only addresses the possible cover up of true data but also how we are going about dealing with the photo-chemical smog problem.

Everything that has been regulated in the way of control to date addresses the reduction of hydrocarbons. The NOx problem has been ignored as the real way to address the problem.

Due to this credibility gap, I feel that the existing program, decentralized, should remain intact in the foreseeable future.

The cost to industry and to the consumer will once again skyrocket simply to

satisfy a regulatory agency's whims of change. Enclosed in my article is a copy; if you look on the back of your article there, we're the National Academy of Science Trashes Clean Air Act.

I would like to just direct a comment down to the middle of the second column, and my pardon for the copy, it's not a very good copy, it mentions here, "Yet from 1989 through 1991 EPA data showed that only twenty-seven cities were in violation of smog or ozone standards, a sharp reduction from the eighty-eight cities in the 1987-89 period.

In a paper prepared for the Cato Institute in Washington, D.C., Dr. Kay Jones, formerly a senior scientist with the President's Council on Environmental Quality under three administrations, shows that the EPA deliberately withheld the 1989 and 1990 data until after the final passage of the 1990 Clean Air Act. Yet the data trend continued into 1991, showing a sixty percent median reduction in expediencies nationwide.

Mr. Jones directly accuses the EPA of deliberately biasing this debate by rushing out the 1988 data in September of 1987, some ten

months in advance of their normal data collection cycle."

And the following paragraph: "Mr. Jones' report includes in harsh words for a good scientist: 'The EPA charade is over. Current EPA officials responsible for this charade should be held accountable for such blatant public misinformation."

And a little comment before I continue. It's no wonder why EPA can't give the state any direction, because they don't know where they're going and the blind can't lead the blind. It's as simple as that gentlemen.

To continue on. It is my understanding that PennDOT is in favor at this point of a centralized system.

I have previously expressed my concerns with this type of program with PennDOT personnel. To my surprise, when discussing the possible scenarios, the reaction that I received was one of "we never thought of that."

Unfortunately if we flashback to the beginning of the present program, it was the lack of input by the industry that caused many of the problems that exist today.

A few years ago, my Association took the initiative to develop a dialogue with PennDOT where we could communicate our concerns about the emissions program.

An Ad Hoc Emissions Advisory Committee was formed, bringing in representatives from our Association, ASA, the Delaware County Inspection Association, and the New Car Dealers. I am proud to say that through dialogue much was accomplished. It seemed we were on the right track so to speak.

Unfortunately, much to my dismay, the Emission Advisory Committee has never been invited to meet with the EPA and PennDOT about the possibility of changes in the program.

I strongly feel that this has been a major mistake leaving out the expertise of the technicians in the field. Obviously, my first concern is that of the past repeating itself by ignoring the input of technicians who are doing the tests on a daily basis.

My second concern is the possibility of the independent shop losing safety inspection to a centralized, watered down inspection.

Our decentralized safety inspection is

the envy of many across the country. And I'm personally very proud to say that because I've been a safety inspection for twenty-five years.

It has worked very well in that the Pennsylvania car is very safe to operate and that competition between independents has kept the costs consumer friendly.

However, the customer is not going to appreciate having to take his or her car to their trusted garage for safety inspection one day, then to a centralized emission testing center a second day.

The existing program is very convenient to the consumer and he or she has both the emissions and safety inspection done at the same trusted shop on the same day. Why would we want to eliminate such an efficient program for the sake of bureaucratic whims?

I am sure that the consumer is not going to be happy about this type of unprecedented and unnecessary inconvenience. I am sure there will be some type of pressure on the legislature to alleviate such a problem.

Unfortunately, it would be very easy to quench this outcry by centralizing the safety

test. However, by doing so the integrity of the present test would have to be greatly compromised in order to accommodate the vast number of cars that would bottle up the system.

My third concern is that of who will repair the failed vehicle and who will recertify it?

If the above scenario wasn't bad enough, look what would happen to the car owner if his car fails the emissions test:

First Day: He takes his vehicle to a private shop for his safety inspection.

The second day he takes his vehicle to a centralized emissions center for a test and the car fails. Assuming the car fails in this scenario.

The owner must then contact the private shop to make an appointment for emission repairs. Most shops such as mine operate on a two day advanced appointment system. I'm sure your garage owner does.

Two days later the owner takes the car to a private garage for repair.

Then the following day he has to take the car back to a centralized emissions test

center - a week has just passed - if it doesn't pass who is right? Who is wrong? Where does the consumer now turn?

In reviewing the above scenario, I would strongly urge the state to implement a hybrid type of emissions testing program if, due to political pressure, the present decentralized program is doomed to extinction.

In such a program, the vehicle would be initially emissions tested at a centralized site. If the vehicle passes the certification sticker would naturally be issued immediately.

However, if the vehicle fails, the privately owned repair facility would make the repair, document it, and then issue the certification sticker. This procedure would be much more consumer friendly in terms of cost and time.

I might suggest to add even more credibility to the program, especially in the eyes of the consumer, all emissions technicians who either repair or retest a car would be required to pass an updated state course and/or be ASE certified in Engine Tune-Up and Emissions Control.

This testing and certification can be

handled by the local vocational schools throughout the state.

I am presently the emissions training instructor at the Center For Arts and Technology, and upon polling three successive emissions classes I have found this concept to be very popular among the perspective technicians who are going through the program.

However, it is my understanding that presently schools in areas of the state where the program is anticipated to spread are now conducting or are planning to hold the present state emissions certification courses.

I feel this should be stopped immediately in all fairness to thousands of technicians who are paying fees out of their pocket, let alone their time, until the program and its new certification criteria, if any, is promulgated.

In summary, let me repeat that I sincerely feel a state-wide decentralized program, as is the safety program, would be the most efficient and consumer friendly program to build upon, while assuring the continued improvement of the air quality which has occurred under the

existing program.

There are few states that have Pennsylvania's expertise in handling decentralized inspection, either emissions or safety.

This is a very important point in that Pennsylvania has been looking to other states that have little or no expertise in the operation of a decentralized program, be it safety or emissions.

Why change a system that we have excelled in, decentralized testing, other than because of pressure by EPA?

This is in my opinion a classic case of Federal bureaucracy trying to interfere with a successful state-run program.

In any event, I strongly urge the Commonwealth to decide on a program as expeditiously as possible, that all planned and ongoing certification of techs in areas not presently under the program be halted, moneys already collected to be refunded immediately, and that if a centralized program is forced upon us a prohibition be enacted to prevent the centralization of both safety and emissions inspections together, and it be one of a hybrid system which would be, under the circumstances,

the fairest to the consumer and of course the automotive technician who has invested time and money also.

Thank you for allowing me to present our concerns and the concerns of our membership. If you have any questions I'll be glad to answer them.

BY CHAIRMAN McCALL:

Q. If we should go to a centralized or decentralized system, the cost of the equipment, do you think that a mom and pop service station owner would be able to afford that?

A. Absolutely not. But there's something that people are misinformed about. The gentleman from ASA said they have 1500 members. Okay. I would imagine throughout the State of Pennsylvania - I don't know, John, if you have a count on how many emissions stations there are.

There's 3500 emissions inspection stations. Safety inspections are going to be way beyond that. We're talking thousands and thousands of facilities that are available right now.

So forget about the mom and pop. That's another picture. I'm in the repair

business. Bill's in the repair business. There's other gentlemen in the audience that are. We're not mom and pop operations.

We are operations that are, my own business is almost a $2 million a year business. And many other garages can speak for even figures higher than that. So we're not exactly mom and pop stations. And, yes, if you look into the Bar-90 tester, yes, they're very affordable. There's absolutely no doubt about it.

Just to follow up on that. The EPA gentleman kept talking about this test. The computer controls that are on an automobile nowadays, there's only one thing that locks that computer into controlling the car and that's the temperature of the engine.

Once that computer goes into what we call a closed loop operation, that computer doesn't care if that engine is operated at 800 RPM's or at 1000 RPM's. If the engine can rev that high, it has full control of the fuel management system and the emission timing of that engine.

The sensors are on that computer such as a throttle ignition sensor as an example. That sensor operates within a five volt parameter

whether you're going down the road at sixty miles or if you're sitting at idle. It makes no difference. That's why a high speed test is a bunch of baloney.

As far as pressurizing fuel systems, that's a joke. If you're driving a 1990 or later car, your car right now has a fuel pump in its gas tank that's producing 120 pounds of pressure, and if you have a fuel leak you're going to know it. You don't have to put a test on it.

And a simple infrared analyzer that measures hydrocarbons, any basic technician can pick up a fuel leak just like.

I'd just like to dispel a couple of those comments that I heard earlier.

Q. Well, you know, maybe mom and pop isn't a true word for Delaware County, but it is for Carbon County. And it is for a lot of counties in this Commonwealth. And I know in my county alone I would say the majority, and when I say the majority, well over ninety percent, ninety-five percent, and I'm just speaking just from the knowledge of my District, would not be able to afford a $125,000 piece of equipment.

A. The Bar-90, a base Bar-90 unit is around

$10,000 to $11,000. Where these figures come from, I don't know. I mean it just blows my mind.

Q. The fact is that if we don't get the appropriate credits from the mobile source we're going to have to from the stationary source.

A. The credits are going to be there in all due respect.

Pittsburgh, our Director in Pittsburgh was on the radio this morning. In Pittsburgh there was a moderate out of attainment area, had no days in the last two years. Philadelphia was down to six hours out of seven days.

We're going in the right direction. The point I'm saying is, and the engineer from GM brought it up, why use a sledge hammer to put a thumbtack in a wall? Or let's crawl before we walk. Because we can go into this program and right now as Secretary Davis said, EPA is under the gun in Washington.

That gentleman that came from EPA from Ann Arbor, they want centralized inspections. When you talk to the people in Washington EPA they could care less. And they're trying to mandate a program to us. And quite frankly I think Pennsylvania should deal with Pennsylvania's own

business.

Q. Your feelings, if you do the inspection do you feel you should be able to do the repair work?

A. Absolutely. I've done the safety inspection for twenty-five years and I've done the repair work.

Q. You don't feel there's any conflict there? Do you speak often to the consumer and the Consumer Protection Agency?

A. Absolutely not. When you go to the doctor and he diagnoses your problem, do you go to another doctor to have it fixed?

Q. I'm not going to argue with you. But like I said, the figures will tell you that.

A. I'm not trying to be smart. The point is that's where the certification of the technicians comes in handy.

Q. But you speak to consumer confidence and safeguards for the consumer--

A. Absolutely.

A. Don't you think a good safeguard for the consumer is that if you do the inspection you can't do the testing; if you do the testing you can't do the repair work?

A. I think the best safeguard to the

consumer, and this is one thing I do agree with the EPA on, one of several things I agree with - I don't disagree with them on everything - is the fact that the person who does the repair has got to have a certification. A genuine certification. Not just like here I am you know.

And in all due respect to the Pennsylvania Vehicle Code, when I certify somebody to safety inspect a car, he doesn't have to know how to repair it. He just has to know the rules and regulations to safety inspect it. That's me, that's not being fair to the consumer and I have a problem with that.

Q. How do we put safeguards in for the consumer right now then?

A. Well right now we do have an emissions certification, which every mechanic has to have.

Q. I'm saying on the repair work. How do we--

A. They're built in as with any safeguards. You have consumer groups. You have the Better Business Bureau. They're built in.

I know with safety inspection if my Trooper gets a phone call from one of my customers, he's going to be on the phone real

quick. And that's the beauty of the decentralized system. It works nice. It weeds out the guys who don't know what they're doing. But I do agree the level of competence of the mechanics has got to keep going up too.

Q. It would seem to me though that the money for the service stations would be in the repair and not in the inspections.

A. Well it's not just service stations. It's not just the repair business at all. People are in the repair business, okay, to make a profit. That's been the biggest argument over the fee cap. We don't want to get into that.

The problem is, it's just like-- I'll go right back to the analogy with the doctor. If you have a doctor and you go to him just for his opinion, okay, and all his so-called patients do and never get anything else done, he's going to go out of business.

So it's like in any field, okay, you become a trusted member of your community and you live and die on your reputation. And generally speaking with competition out there the consumer pretty much out there is a lot more intelligent than people give him or her credit for.

CHAIRMAN McCALL: Thank you.

MR. LAVIOLA: Okay.

CHAIRMAN McCALL: Gary Huggins. Gary is with the Coalition for Safer, Cleaner Vehicles.

MR. HUGGINS: Mr. Chairman and members of the Committee, we appreciate the opportunity to present testimony on Pennsylvania's plans to strengthen your I/M emissions program.

I'm Gary Huggins, Executive Vice President of the Coalition for Safer, Cleaner Vehicles. We are a national non-profit consumer environmental and industry organization committed to assisting states in adopting and improving vehicle emissions and safety inspection programs. We also provide public education on the benefits of vehicle inspection.

Our membership includes consumer groups which represent over 50 million people nationally. State vehicle and pollution control administrators. Automotive associations. Individual companies and others.

The Coalition supports the adoption of the most effective inspection programs available to achieve the goals of cleaner air and safer highways. CSCV has not formally taken a position

favoring either decentralized or centralized inspection programs.

In our testimony we will present the facts and the details of the 1990 Clean Air Act Amendments, EPA research and the results of our survey on peoples' experience with vehicles emissions inspection programs.

Planning for enhanced emissions inspection programs should focus on effectiveness, cost and building public support for the program.

Ineffective emissions inspection programs will not survive in the marketplace. the public, having invested both personal time and fees for inspections, will not continue to accept any failure to achieve significant improvements in air quality.

The 1990 Clean Air Act Amendments direct the U.S. EPA to establish a minimum performance standard based on the performance achievable by annual inspections in a centralized testing operation.

States will be required to show that their I/M program is equal in effectiveness to the performance standard.

It should be noted here that EPA has

not yet determined what "equal" means.

Congress has clearly indicated, however, that quality is non-negotiable regarding vehicle emission inspections required by the 1990 Clean Air Act Amendments.

According to EPA vehicle emissions are responsible for up to fifty to seventy percent of the volatile organic compounds which pollute the air.

The EPA has found that the most cost effective pollution control strategy available is a high tech vehicle emissions inspection program. They estimate that high-tech I/M will cut vehicle emissions by thirty percent, at a cost of about $10 per vehicle per year, and a total cost of $500 per ton of pollutants removed.

Federal Clean Air Act requirements in the absence of a strong I/M program include very costly additional controls on small business and industry which will cost over $5000 per ton. This will have a negative effect on employment, competiveness and growth.

The potential thirty reduction in vehicle emissions from a high-tech I/M program will help achieve about ten percentage points

towards the Clean Air Act's requirement that polluted areas achieve a twenty-four percent overall emissions reduction by the year 2000.

If attainment targets are not met, growth will be curtailed and jobs will be lost. Additionally, fees and limitations on vehicle use will likely be necessary.

To put this in perspective, according to EPA high-tech I/M alone in most areas can achieve larger emissions reductions than the complete elimination of all emissions from entire categories of area sources such as bakeries, tire manufacturers, bulk gasoline terminals, dry cleaners, and rubber manufacturers combined. It can also do so again at $500 per ton cost as would go to $5000 for these other sources.

Additionally, the increased vehicle emissions reduction achieved through a high-tech I/M program will minimize the need to implement more onerous transportation control/reduction strategies such as restricting car usage, tolls on heavily traveled roads and a parking tax in metropolitan areas.

In September 1991, Riter Research of Annapolis, Maryland, conducted a random survey of

1008 adults for the Coalition on their experience with vehicle emissions testing programs.

The survey was conducted in the following five states: California, New York, Texas, Maryland and Wisconsin.

The purpose of the survey was to determine:

1. Support for programs to reduce air pollution from vehicles in areas that do not meet Federal Clean Air Act requirements.

2. Experience with current vehicle emissions testing programs.

3. Attitudes about different types of vehicle emissions testing programs.

4. Support for inspection of vehicle's critical safety items.

The results are as follows:

Seventy-two percent of those surveyed favored establishing a more effective vehicle emissions testing in order to achieve cleaner air.

While only thirty-seven supported mandatory car pooling in metropolitan areas. Twenty-six percent support tolls on heavily traveled roads. And only twenty percent supported restrictions on vehicle usage.

The price sensitivity regarding the inspection programs. Overall seventy-four percent of those surveyed felt that the $10 fee was reasonable.

Another matched sample was asked about a $30 fee and only forty-four percent felt that fee was reasonable. And when asked about the $50 fee, thirty percent felt the fee was reasonable.

Most motorists, whether from states with decentralized or centralized inspection programs found the locations to be convenient. That number was ninety percent.

The survey also found that motorists from states with decentralized testing programs are more apt to be inconvenienced when attempting to have their vehicles inspected than from states with centralized testing programs.

The average wait time to get a vehicle inspected in states with centralized programs is twenty-two minutes versus one and a half hours in decentralized programs.

Motorists from states with decentralized testing programs are three times more likely to be asked to come back another time for inspection. That number was twenty-seven percent versus ten percent.

Nearly one out of every three motorists from states with decentralized programs had to leave their car for inspection. The average time the vehicle had to be left for inspection was five hours.

Motorists from states with decentralized programs were seven times more likely to have to take their vehicle to another station to get their vehicle inspected than motorists from centralized states. That was twenty percent versus three percent.

Also, motorists from decentralized states who filed the emissions test are just as likely to take their vehicle to another station or garage for repairs as to have it repaired at the facility where it was tested.

Forty-seven percent had repairs done at the facility were tested while fifty-three percent went to another station or garage for the repairs.

Now this would seem to indicate that motorists do not expect to fail when they go for the emissions test and typically do not allow enough time for the needed repairs, or that they prefer to go to a different shop for required repairs than where they had the initial test.

The end result is often the public themselves elects to make multiple trips to complete the inspection and repair function.

The survey showed that seventy-one percent of motorists, regardless of whether they are from a centralized or decentralized state, favor the separation of testing and repairs.

Seventy-seven percent of those surveyed felt that their interests were best protected by the separation.

The survey showed that seventy-seven percent of the public favored inspection of the vehicle safety critical items at least once a year.

Sixty-six percent of the public favored testing of safety-critical items on vehicles while conducting the emissions test, provided the added fee is $5 or less.

When Pennsylvania adopts the enhanced emissions inspection programs required in the 1990 Clean Air Act Amendments, it is important to plan for the tremendous increase in demand for repair or replacement of sophisticated systems and equipment.

In order to assure the success of the

enhanced programs, there is no doubt that more emphasis has to be placed on maintenance - the M side of the I/M in the future.

Not one ounce, not one gram of pollution is eliminated by inspection alone. To achieve the desired goals, vehicle repairs must be made properly and effectively for the benefit of air quality and consumer protection.

The use of high-tech inspection and diagnostic procedures will help the repair industry perform most cost-effective repairs because of two factors: 1) better diagnostic information outlining the likely causes of failures and needed repairs will assist the repair industry immediately, and 2) the high-tech test procedure will more effectively identify the super and high emitting vehicles and can better distinguish between marginally emitting vehicles which should pass and those that should fail.

The repair industry has demonstrated significantly better capabilities to more cost effectively repair the super and high emitting vehicles, while having difficulty in diagnosing and repairing the marginally emitting vehicles.

Mechanics training programs are needed

today to improve the repair industry's ability to perform cost-effective repairs. Improved training programs will be increasingly needed in the future when we turn our attention to marginally emitting vehicles to increase the total emission reductions obtained from I/M programs.

We recommend that the state undertake an immediate and comprehensive training program in partnership with industry to meet this urgent need.

In summary, the benefits of adopting the strongest available I/M programs are enormous. The EPA estimates that a high-tech I/M program - centralized or decentralized - has the potential to reduce vehicle emissions by thirty percent. This would achieve approximately ten percentage points toward the total twenty-four percent emissions reductions required by the year 2000.

High-tech I/M is also the most cost-effective clean air strategy available. At $500 per ton high-tech I/M is seven times more cost-effective than tighter new car tailpipe standards, and at least ten times more cost effective than additional controls on stationary sources.

Thank you. I'd be glad to answer any

questions, if there are any.

CHAIRMAN McCALL: The survey that you conducted was where?

MR. HUGGINS: California, Texas, New York, were the decentralized states. And Maryland and Wisconsin were the centralized states.

CHAIRMAN McCALL: And was there a ratio of plus or minus on the polling?

MR. HUGGINS: The competency factor is plus or minus three percent.

CHAIRMAN McCALL: Thank you.

Next is William Dell from Systems Control Corporation.

MR. DELL: Hello, I'm Bill Dell. I'm with Systems Control. I'm the manager of Marketing and Government Relations. I have with me Mr. Jim Daffner (ph) who is the Eastern Region Marketing Rep. He covers the Pennsylvania area for our company.

We're both going to have a few words to say and we do appreciate the opportunity to be here today and to tell you a little bit about centralized I/M from the perspective of a company in the business of centralized I/M.

There are some other companies in this

business that are here in the audience today. And I think just about everything I say today will probably apply fairly equally to the others that are here. I think there are four of us all together.

I want to show some pictures. In the theory that pictures save about a thousand words, I'll save you about 20,000 and show you twenty pictures. We'll try to get out of here quickly.

But before I do that I just want to make a couple of comments. The first on some of the things we've heard today.

Concerning the Clean Air Act, it's pretty clear what the Act itself says. The Act says that thou shalt achieve fifteen percent reduction in VOC's from your mobile source sector by November of 1996. And that's in black and white.

In regard to what the EPA must do, they must give you some guidance. Congress to my knowledge has never used the word guidance before, so its been pretty difficult to figure out exactly what they meant by that.

EPA is going to issue a rule and that infamous rule is at this point at the White House.

I don't think that anybody today so far has been willing to step up and say really what's in that rule.

I spend a good deal of time in and around Washington. My office is close to the suburbs and to my information, and it's fairly current, in the past few days, is that that rule is going to require enhanced item areas to have an I/M 240 which is a high-tech testing procedure.

That that I/M 240 testing procedure must be conducted throughout the enhanced area, and it can be conducted in a centralized or decentralized program.

However, if it is conducted in a decentralized approach the state is going to have to have the legislative authority on the books to switch to centralized within two years if EPA determines that it's not being effective in a decentralized approach.

And one other thing that's going to be in the rule, the rule is also going to require that the new enhanced program be testing cars by July 1, 1994.

Therefore what's really incumbent upon the Legislature here is to make sure that your

administrative agencies have the necessary legislative authority and guidance as you may wish to give them to achieve the goals outlined in the Clean Air Act. And that is the fifteen percent reduction by 1996 and three percent per year thereafter until attainment is reached.

Those are really tough goals to meet. If you're going to be testing cars under a new enhanced program with an I/M 240 test procedure by July of 1994, that really means the legislative authority has to be in place now. Because no matter what approach is taken it's going to take some months - I think it's been testified to already - probably eighteen months in order to get a new program in place with the new test procedure.

The issue that the administrative agencies here in the state will be facing is how is it cost-effective.

You can do a cost-effective approach with a centralized program. It's not clear you can do a cost-effective approach with a decentralized program.

The reason is that there's an economy of scale, a test volume. The emissions testing

equipment is going to cost between $150,000 and $200,000 per inspection lane.

If that equipment is utilized in a centralized high through put fashion you will be able to test approximately twelve to fifteen cars per hour in a lane.

That through put is achievable by using high through test procedures that are used in centralized programs around the country now. It's essentially setting up an assembly line production so that you can get many cars through the gate and testing them in increments. So you may have three cars being tested at a time. Step one being set up. Step two maybe inspections. Step three being checkout in an assembly line fashion. And I'll show you some pictures of programs that do that now.

But anyway I'll be glad to answer questions on the rule and on the Act. And I'll show you some pictures and I think Jim will try to relate what I'm showing you specifically to Pennsylvania.

CHAIRMAN McCALL: You are hearing right now that EPA is going to recommend the I/M 240?

MR. DELL: They're going to require.

CHAIRMAN McCALL: Require?

MR. DELL: Yes.

CHAIRMAN McCALL: The provision is going to be that the state has to use that?

MR. DELL: That's correct. Any enhanced I/M areas are going to have to use an I/M 240 test procedure. If you elect to use it in a decentralized fashion they say that's fine. However, it's clear by what EPA is--

CHAIRMAN McCALL: We would have the capability of going to centralized in two years if we're not reaching attainment?

MR. DELL: That's true. And from a cost standpoint in a decentralized facility or network, what it would cost to recoup the investment that decentralized facilities would utilize would require an inspection fee probably up in the neighborhood of $60 a test. Those are EPA's own numbers.

CHAIRMAN McCALL: Now the I/M 240 is a loaded test meaning that the car is put on a dynamometer and then taken up to speed?

MR. DELL: It's more than just a loaded test. There are currently loaded test

procedures being used in this country using a Bar-90 type analyzer.

CHAIRMAN McCALL: The Bar-90 type analyzer, is that the probe in the exhaust pipe?

MR. DELL: That's correct. And it's going to become somewhat of a piece of history. The I/M 240 test requires what's called constant volume sampling. So instead of taking a sample with a probe out of a tailpipe, the test equipment has to actually measure the entire volume of the contents.

The volume as well as the contents of what's coming out of the tailpipe in order to calculate the total number of grams per mile that the car is emitting. And that can only be done on a driving cycle which is a more extensive dynamometer than the type of loaded dynamometers being used in programs today which are what's called steady state. Where they provide a steady load at a given speed.

This actually is a driving cycle that simulates uphill, downhill, fifty miles an hour, thirty miles an hour, etcetera.

CHAIRMAN McCALL: The 240?

MR. DELL: The 240, yes.

CHAIRMAN McCALL: And the 240 stands for 240 seconds it runs through that program? Is that why it has that name?

MR. DELL: Correct. That's 240 seconds to run through the entire driving cycle. And we are having discussions with the EPA about the possibility of having what's called a fast past/fail procedure with the I/M 240. So that not all the vehicles would go through the entire 240 seconds.

In other words if you took a vehicle into the test procedure and you are able to determine that it's emitting almost nothing, it's squeaky clean, and there are a lot of cars out there like that, you could pass it sooner than 240 seconds. And conversely you might find one that's ridiculously dirty and we've all been behind a few of those on the highway.

CHAIRMAN McCALL: And at that rate you're saying you could do how many cars a minute or how many cars an hour?

MR. DELL: Twelve to fifteen cars an hour assuming that you could have some fast pass and some fast fail procedure. And that your 240 second test procedure would be your pacing item in

one position of a multi-position testing facility.

CHAIRMAN McCALL: And they would just move from station to station until the complete test is completed?

MR. DELL: That's correct.

CHAIRMAN McCALL: And they either fail or pass.

MR. DELL: That's correct. The complete test might take ten minutes, but the fact is you're entering a car into the test facility every three minutes approximately.

CHAIRMAN McCALL: Does your organization do any of that right now, the I/M 240 testing?

MR. DELL: No. Nobody does right now outside of a testing lane in a production facility in Hammond, Indiana, which is contracted by EPA approved concept. But that lane is not set up as a high through put lane. It is merely set up to prove the technology and not the speed.

CHAIRMAN McCALL: Well we're hearing the centralized systems then can offer this testing at $8.50, and the argument being that a mom - I guess I shouldn't use the word mom and pop but that's what they really are - a mom and pop

service station owner will not be able to deliver at that just because of the mere fact that he can't do it in the high volume or the high number that you can do it in.

MR. DELL: That's correct.

CHAIRMAN McCALL: But you're saying you can offer it at $8.50?

MR. DELL: No. Not a I/M 240 test. Currently $8.50 is the average for current centralized inspection program fees in the country which are Bar-90 type. That's likely to be closer to $20 under an I/M 240 test procedure.

CHAIRMAN McCALL: $20?

MR. DELL: Yes.

CHAIRMAN McCALL: On an annual or bi-annual?

MR. DELL: Per test.

CHAIRMAN McCALL: Per test only. What about re-testing? What if I have to come in and have my car re-tested, is that going to be another $20?

MR. DELL: Currently I would say most of the centralized programs in the country allow for a free retest if you fail. And that's calculated into the $20 fee for all initial tests.

CHAIRMAN McCALL: So if I come in and fail, go get service work, I can come back and have my car retested for free?

MR. DELL: That's correct.

CHAIRMAN McCALL: Questions?

(No questions.)

MR. DELL: Okay. Allow me to show you a few pictures. I think it's helpful to see what a centralized testing program looks like. It's helpful to visualize these things.

By the way, the centralized inspection isn't new. I will try to do some justice to my competitors who are here and point out the locations of theirs as well.

This one is obviously systems control only.

Currently there are centralized inspection programs around the country. SC runs them in these locations in Washington, South Florida, Maryland, Illinois and Minnesota.

HTA runs them in Wisconsin, Connecticut, Tennessee, Ohio.

In addition to that Gordon Dougherty runs one in Tampa, St. Pete area. Also in Broward County in South Florida. And they also have one in

Arizona and in Kentucky.

Marto Systems has one in Jacksonville, Florida.

So there's a number of systems around the country. There's a lot of expertise out there in developing these programs and running them right.

CHAIRMAN McCALL: And not one of them use the I/M 240?

MR. DELL: Not yet. The I/M 240 is a new invention by EPA and it's designed to better simulate the factory test procedure in order to assure that cars are properly passing and failing.

MR. HOLLIS: Question. Since there is no I/M 240 testing being conducted now. You say there's one operation in Indiana that's operated by the EPA, how long would it take for the industry to go on line seeing you've mentioned an inspection date of 1 July, 1994, that's the inside that you seem to be getting that the test has to be conducted in 1 July, 1994. How long would it take for the industry to have these machines manufactured, computer installed? I mean we're talking eighteen, nineteen months.

MR. DELL: That's a serious

consideration. It is a very serious consideration.

The industry, those of us in this industry are not standing still. We're obviously very busy right now designing I/M 240 testing procedures.

The current constant volume sampling equipment that's being used in Indiana is available and can be purchased by any of us in this industry. And that may or may not be the way all of us go.

All of us are looking at alternatives to this equipment, but I think that I probably speak pretty well for all of us in saying I think any of us can be ready to go within eighteen months to point of contract.

With land, buildings, equipment, computer, computer networks, centralized computer system, hiring and training all the people, running the program, give us eighteen months from point of contract, we'll be ready to test cars. I don't hear any objections out there so I guess I'm close.

The Florida program which is one of the newest programs in the country came on line

not quite a year ago.

It's typical of a testing building. It's multiple lanes. Each lane is testing cars at a high through put.

This sign out front that they're using is used to inform the public from the street of how long the waiting time is. They have an idea of how long they have to wait and they can choose to come in or not. Of course it's always set at zero so it's not a problem.

Here is a multi-position safety and emissions inspection combination in the State of Florida.

You have three positions in assembly line fashion. The first position uses the loaded mode dynamometer right here to pre-condition the vehicle. This is a steady state dyna, it is not what's called a transient dyna which would be required by the constant volume sampler.

The second position there is a sturdy pre-plate tester and front end alignment checks, things like that. Headlights, etcetera.

The third position is dynamic brake testing and a few other tests. A number of visuals. All of this computerized.

There's no paper work. Hand held remote data entry devices for pass fail conditions that are visual. Everything else is done by the computer. It's all very quick. It moves through very quickly. Here the average time of each inspection position
is about two minutes.

This is another view of how that looks without the cars in it. That's the inside of the facility.

We also have mobile testing systems to go out and help test fleets of vehicles on-site rather than have them come to us. And that's a mobile dynamometer.

The State of Maryland program. All these are Taj Mahals, all brick and block buildings. Very nice facilities.

Once again multi-lane. High through put multiple lane. This one's a single position test. They're doing an emissions only test, idle test, very much like is being done in Pennsylvania today.

Every one of these facilities in addition to being able test cars, there's a large vehicle bay for vehicles up to 26,000.

We also have here a large customer service area facility to deal with the public. There are state representatives at each facility, at each location that deal with the public from an official state perspective. And those are paid for out of the revenues of the inspection program.

Inside of the Maryland facility. That's basically a gas analyzer. You've got your computer system that runs it in here, probing the tailpipe.

It looks quite a bit different when we go to this new high tech facility but the concept is the same.

All the systems are tied together with central computer systems. Every one of the programs that we run, and I believe this is true with all competitors too, we establish a central computer facility in the state. So it's all self-contained. We're hiring all state people. We're using all state employees and properties.

This particular facility is a Maryland facility. Every single inspection lane is on-line to a computer system so that when a test is done, immediately that test information, everything about that car is available all over the computer

network. So that your state agency can have a terminal on his table or his desk. He can pull up information if somebody calls in and says I have a problem. He can pull up the car, pull up the test and see what the results were and why.

We can do the same thing as a contractor. If a car goes around the block, pulls right back into the inspection station again, we already know he's been there once and we treat him appropriately. Give him a free re-test if he's entitled to one.

Illinois program. Looks a little different. Once again though the concept is the same. We have a bay for testing larger vehicles like school buses. This one is a metal building with brick facade.

Central computer facility in Illinois.

Every vehicle that comes through the test immediately and instantly gets a computer printout of the entire test procedure, how it's performed. What his standards are that he's measured against. What his test results were.

In the case of safety inspections that information is also on the test report given to the consumer.

Illinois, down in the corner, there's also a removable sticker that the consumer can put in the windshield.

Most of these programs though are registration enforced by the simple computer facility so that a sticker is unnecessary.

In other words as soon as you're tested your tests results are immediately down loaded in the State DMV, Motor Vehicle system. So if a person goes in to re-register his car they know whether or not they passed the test.

Minnesota facility. You have eleven stations, forty-six lanes. Brick and block type building once again. They must have read the Florida RP. It looks familiar, the sign out front with the waiting time.

In addition what we did here in Minnesota, this is something new and somewhat unique, we have essentially a garage bay also in every facility, and that is for the state to conduct waiver inspections.

If a driver does fail a test, he does do what he can to repair it, he meets the waiver cost limits, he still has to have a okay from the state saying that he hasn't tampered with or

removed the catalytic converter or tampered with the other Federally controlled items on his car.

We provide an actual garage for the state inspectors to do their job right on state. That's more convenient for the public.

That's the inside of the Minnesota facility. That gives you a pretty good idea of what those things look like.

Just to sort of sum up, the principles of a contractor operated centralized program are pretty much the same wherever you go.

Number one, there's no cost to the state. The contractor comes in, he provides everything necessary to meet the requirements of the Clean Air Act. All the testing equipment. He buys the land. He builds the building. Hires and trains all the local people. Provides the management skills. The computers. The networks. Everything. And all that is recouped through the test fee. It usually also includes a portion for the state to administer the program.

It uses a high technology system and it is incumbent upon the contractor through the contract to maintain the facility and the equipment at the highest level of technology.

The problem with a lot of state run systems in the country, probably New Jersey being a good example nearby, it started off as a perfectly good system. But once it's in place you can never go back and get more money out of the Legislature to keep it up to date. That's not the case with contracting programs because it is the responsibility of the contractor to stay current.

No conflict of interest between inspection and repair. It's easy for the administrative agencies to oversee because you're dealing with one contractor instead of dozens or hundreds or even thousands of individual garages. And there's a low cost for inspection because you have the economies of scale involved.

These programs are convenient. I think Mr. Huggins from CSCV spelled out some of the key compounds. I just want to reiterate some of them.

The convenience is often legislated in these programs. If it's not legislated then it's done through regulation. And what is convenience? It's distance to a station.

The State of Florida for example specified that ninety percent of the vehicle

population had to be within an average of ten miles of a station. And a hundred percent within fifteen.

Maryland was eighty-five percent and twelve. A hundred percent and twenty.

Those are written right into the contract and therefore are written into the RP so that those of us in the business of bidding on these things will design a network to meet these requirements that you demand.

Waiting time. Usually specified also either in legislation or regulation. In most centralized programs it's specified as no more than fifteen minutes wait time is allowed for more than five days a month.

Inspection time. High through put insures the quickest possible through put and that's very much related to waiting time.

Inspection on demand. No one should ever have to make an appointment for inspection. That's part of the contract. And you get a constant quality test which is performed the same way by the same computer system, by the same contractor every time for every vehicle.

That's the idea. That's what the

centralized program is about and that's kind of what they look like. They're good. They're fast, clean and efficient. And they serve the public in the most convenient and effective manner possible. They're the most cost-effective you can get.

To do that same sort of thing on I/M 240 test in a decentralized network it's going to cost $60 or more per test.

The State of California right now which is the only decentralized program in the country that does not legislatively cap their fee for Bar-90 inspections are already paying a test per car on an average. And that's not the new CBS system, not the new I/M 240 system.

So clearly the cost for doing I/M 240 testing in a decentralized program is going to be much higher than the centralized program.

With that I'll give it to Jim.

MR. DAFFNER: Mr. Chairman, what I'd like to do if I can, is take the information that Bill has given you, and I too have pictures and will be merciful brief, and try to tie them back to Pennsylvania. What does it mean to Pennsylvania? And explain a few of the things that I've heard going through.

One, the ozone transport region. Why an ozone transport region? This represents the areas that the EPA has determined that require an enhanced inspection. You can see the corridor runs in the northeast.

The EPA has said that we have to meet a fifteen percent reduction in our VOC's. And that you as legislators to the state can earn credits towards that.

What do you mean by credit? It's a question that I think you had and if I can go into a little bit of detail about that.

The EPA has broken up basically into three areas. The emissions. They break them up into mobile emissions, those emissions that emanate from automobiles.

From area emissions. Bakeries would fall into that, if you will. And from point sources where you can actually point to a smoke stack and say that's emitting X number of tons.

I took the liberty of calling Region III EPA and asked them for those figures for the Pennsylvania area to give you an idea where Pennsylvania stands.

Southeastern Pennsylvania the five

county area, we've heard the number fifty percent of the emissions are emitted from automobiles. In reality in the last survey EPA has determined that it's actually sixty-four percent.

Let's put a real number to that. Actually we're talking about 413 tons of VOC's per day.

When you try to visualize that, what is a ton of VOC's, imagine a pile of organic compounds if you will about the size of a small truck. 413 of those being dumped into the air daily.

Philadelphia is of the areas surveyed probably one of the finer examples. The Pittsburgh greater statistical area is actually sixty-nine percent mobile sources. And then the Allentown area brings up the lead with seventy.

Now how do you earn your credits? How do you earn this fifteen percent reduction? The EPA has developed a model, a computer model called the Mobile Model 4.1, which has listed into it several components. In essence you're presented with a menu, is this a centralized program or decentralized? Do you tamper check? Do you not? Do you safety check? Do you not? What areas are

covered?

You input all this information. The information that you get back out is a tonnage figure in reduction.

If you implement all these items you will see this many tons reduced. You take that number, compare it to these and then you see if you have your fifteen percent.

The EPA, and we've seen this before, has determined through this model that the high option, which is the I/M 240 with a purge and pressure check, will reap us a thirty percent reduction. In tons what does that mean, a thirty percent reduction?

I took Philadelphia's figures only because they were the lowest of the three that we joined. What we're looking for the impact of the high option on Philadelphia's VOC's emissions is this portion right here.

In essence you're looking at a thirty percent reduction of that sixty-four percent of the pot, which translates out to the difference between 413 tons of emissions a day versus 289 tons, or an overall reduction using just the I/M portion of it, the I/M 240 portion of it, a

reduction of 19.2 percent.

That's what a high option centralized program could mean in the terms of credit if you will to the program. You have to meet fifteen percent.

The I/M 240 high option in a centralized fashion can provide you with 19.2 percent.

It's also interesting to note in that same model the EPA has weighted the difference between centralized and decentralized format.

The decentralized format will earn you forty-five percent less credits than the centralized fashion. In other words if you choose to go to a decentralized fashion even using I/M 240, you still have to find forty-five percent of the emissions from other sources. From those bakeries. From the plastics companies. Auto paint stores. Small businesses that make up over fifty percent of our business today.

I'd like to emphasize the cost-effectiveness of the program. Once again you've seen these before, they were presented by the Secretary of PennDOT. We're looking at a $500 per ton cost as compared to $3000 before.

A centralized program in Pennsylvania would mean new jobs. New capital investment from a private source brought in the state. It would mean additional business for Pennsylvania contractors. For Pennsylvania architects. It would mean jobs for Pennsylvania residents.

And because we're a private entity we are a taxable entity and it would mean additional taxable revenue for Pennsylvania.

I'd be glad to answer any questions I can.

CHAIRMAN McCALL: How difficult is it to get these facilities sited with local ordinances, building permits, building codes, that type of thing?

Do you find it difficult to get these facilities built because of that?

MR. DELL: It can be a challenge. I think that, you know, the successful ways we've employed before is to sort of work it in reverse. We start by going to-- Once we have a contract, actually before a contract, we'll often begin this process in the proposal writing stage, we'll meet with the agencies in charge of the program, as well as with the Zoning Commission, etcetera, and

tell them what we need to do. And we will identify certain zoning classifications that would be allowable.

It's certainly much easier to site a facility if you don't have to go through a zoning process or a re-zoning process. So we try to avoid those problems up front.

Clearly any time you get into a zoning problem it's going to stretch out your implementation time.

Permitting, that depends on locality.

CHAIRMAN McCALL: It has to be a concern with the deadline that we're up against that, you know, if siting becomes an issue then the centralized issue becomes a problem also.

MR. DELL: That's a very good point. In all of our experience in putting up these kinds of programs around the country, we would be very comfortable if we had about eighteen months time to handle all the problems, get the buildings up and be testing cars.

CHAIRMAN McCALL: And you're looking at somewhere in the vicinity I guess if you figure you have five days with the I/M 240, somewhere around a million dollars a facility, a million

plus?

MR. DELL: That's correct. It's a sizeable investment, yes.

CHAIRMAN McCALL: Plus you have to have how many employees per, just out of curiosity?

MR. DELL: At the risk of giving away any competitive advantage, somewhere between three and five per lane to do the job in a high through put fashion.

CHAIRMAN McCALL: Have you been looking at Pennsylvania as far as with what EPA or the Department of Environmental Resources has come out with the newly identified counties?

What would you be looking at as far as the number of systems if there would be a move toward a centralized system?

MR. TAFFEY: Let me answer that, of course again at the risk of giving proprietary information away. We are looking at Pennsylvania. Initially we would take a first brush at the state based on demographics as simple as automobiles registered by zip codes.

We would go from there perhaps to overlay that with census information, such that we

could determine there might be a higher concentration in one particular part of town versus that zip code that would require perhaps another lane.

So again, tieing into whatever is legislated as far as convenience factors, you know, the amount of wait time, drive distance, we then factor those into our model and develop in essence a map. We can take it down to intersection detail if necessary.

MR. DELL: The project starts off scientifically and becomes more realistic, just to sum it up.

We have a very sophisticated computer model to do sitings. When you get the model run you sit down with your local real estate agent and the first thing he does usually is laugh, and you start over again, you know, moving things around to where they can fit. But we can get the job done.

CHAIRMAN McCALL: Dick, do you have any questions?

REPRESENTATIVE HAYDEN: No. Thank you.

CHAIRMAN McCALL: Thank you very much.

MR. DELL: Thank you.

CHAIRMAN McCALL: That concludes our hearing. We thank everyone for attending and this is one of possibly three or four hearings that we will be conducting on this issue. And we appreciate the input that was received today and look forward to the input over the next couple months.

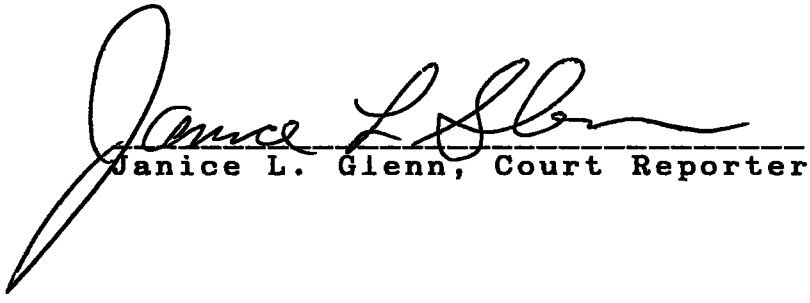
Thank you.

(At 2:50 the hearing was concluded.)

* * * *

C E R T I F I C A T I O N

I hereby certify that the evidence taken by me of the within proceedings is accurately indicated on my notes and that this is a true and correct transcript of same.



Janice L. Glenn, Court Reporter