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**REPORT TO THE GOVERNOR  
BY  
THE SPECIAL COMMITTEE ON  
THE VEHICLE EMISSIONS  
INSPECTION PROGRAM**

**NOVEMBER 1, 1987**

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November 1, 1987

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Honorable William Donald Schaefer  
Governor  
State House, 2nd Floor  
Annapolis, Maryland 21401

Dear Governor Schaefer:

On behalf of the members of the Governor's Special Committee on the Vehicle Emissions Inspection Program (VEIP), I am pleased to submit to you a series of recommendations that have been developed after many hours of testimony and discussion.

Including our first meeting on September 8, 1987, we have convened five times. We have heard testimony from elected officials, federal and state representatives, private industry groups and environmentalists. The depth and breadth of testimony has given us a sound foundation for our deliberations in order to develop a recommended framework for a post-1988 VEIP.

The Committee has examined major VEIP issues such as whether the testing system should be centralized or decentralized, whether testing should be conducted on an annual or a biennial basis, whether waivers should be permitted, whether larger vehicles should be tested and whether there should be some limit on the model years that should be tested. We have also examined several administrative issues. We have approached all of these issues in the context of making recommendations that would create a more effective, more convenient and more efficient program. We have refrained from making any statements on issues involving substantial public policy arguments, such as how the program should be funded.

**GALLAGHER, EVELIUS & JONES**

The Honorable William Donald Schaefer  
Governor  
November 1, 1987  
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This report summarizes the above issues and provides the documentation and rationale for our recommendations. We believe that the adoption of these proposals will truly enhance an already effective program, while making it more convenient for the citizens of Maryland. We hope that these recommendations will prove beneficial in the formation of your legislative proposal in the upcoming 1988 General Assembly Session.

You appointed very able people to the committee and they took their responsibilities very seriously. I would personally like to thank the members of this Committee for their many hours of work and undivided attention in developing the groundwork for a better Vehicle Emissions Inspection Program in Maryland.

It has been a privilege for everyone on the Committee to have served you and the citizens of Maryland, and we look forward to helping in the future efforts in any way that we can.

Respectfully submitted,

*Rich Berndt*

Richard O. Berndt, Chairman  
Special Committee on the  
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ROB:4504b

**GOVERNOR'S SPECIAL COMMITTEE ON THE VEHICLE  
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## **EXECUTIVE SUMMARY**

The Governor's Special Committee on the Vehicle Emissions Inspection Program was appointed to "make recommendations based on their best judgment as independent citizens." The Committee was asked to make specific recommendations on whether the post-1988 VEIP program should be centralized or decentralized and whether the test should be conducted on an annual or biennial basis. The Governor also asked the Committee to provide advice on other related concerns, if it wished to do so.

The Committee held five public meetings and heard testimony from elected officials, federal and state representatives, industry groups, environmentalists and private businessmen.

Based on the testimony and discussions, the Committee made three major recommendations:

- 1) The future program should continue as a centralized system, where repairs are separated from tests.
- 2) Future program tests should be conducted on a biennial basis.
- 3) The future program should include a three-point anti-tampering check conducted at the time of the emissions test.

The Committee also reached a consensus on the following matters and offers this advice with respect to the continuation of the program:

- The State should eliminate or at a minimum significantly strengthen the waiver provision in the future program.
- The future program should include heavy duty gasoline powered trucks up to 26,000 pounds gross vehicle weight.
- The future program should test all eligible vehicles back to 1975 and keep 1975 as a base model year, until it reaches 20 model years and then implement a 20-model year float.

- The future program should include a six-point anti-tampering check at change-of-ownership.
- If a waiver system is continued as part of the future program, persons should not be permitted to present evidence of pre-test repairs to satisfy the waiver requirement.
- The Committee also recommended that the State review several administrative procedures and make changes where appropriate for the next, post-1988 program, including adding more test stations/lanes, changing hours of operation and collecting the test fee as part of the vehicle registration fee.



## **BACKGROUND**

To comply with the Federal Clean Air Act, in 1984, Maryland instituted a five-year, contractor-operated Vehicle Emissions Inspection Program (VEIP), which will expire on December 31, 1988. The U.S. Congress is now in the process of revising the Clean Air Act to require the continuation of this program in Maryland and other portions of the United States where federal air quality standards for ozone and carbon monoxide (CO) have not been met. These programs have reduced air pollution throughout the country, and Maryland's program has been judged effective by the U.S. Environmental Protection Agency (EPA).

However, the new provisions of the Clean Air Act include requirements to enhance the current tailpipe program through strategies such as anti-tampering checks. If Maryland fails to continue a VEIP and to enhance the program, it would face federal sanctions of highway funds, sewerage/waste treatment funds and bans on new stationary sources of hydrocarbon or carbon monoxide emissions.

The VEIP has been an extremely controversial program from the onset. A major issue has been whether it should be a centralized or decentralized system. Several bills were introduced in the 1987 General Assembly to extend the program as either a centralized or decentralized system. However, the General Assembly could not come to a consensus of agreement. The state is now faced with the spectre of federal sanctions if a new program is not authorized and implemented immediately after the current program ends on December 31, 1988.

Because of the controversy surrounding this program and lack of a consensus on the future form of this program, Governor Schaefer established a Special Committee on the Vehicle Emissions Inspection Program on August 4, 1987 "to make recommendations based on their best judgment as independent citizens." The Committee was asked to make specific recommendations on whether the post-1988 VEIP program should be

centralized or decentralized and whether the test should be conducted on an annual or biennial basis. The Governor also asked the Committee to provide advice on other related issues if it wished to do so.

The Committee spent many hours reviewing written material and held five public meetings to review the program, to take testimony, to discuss the issues and to make recommendations. The meetings were held on:

- |                      |   |
|----------------------|---|
| - September 8, 1987  | - briefing and background on the program  |
| - September 29, 1987 | - public testimony  |
| - October 14, 1987   | - public testimony, follow up questions and answers                                       |
| - October 19, 1987   | - discussion of issues and recommendations and additional testimony from EPA, DOT and MDE |
| - October 28, 1987   | - final recommendations   |

The Committee heard testimony from the following 14 witnesses:

Senator George Della

Delegate John Leopold

Delegate William A. Clark

W. Marshall Richert, Motor Vehicle Administration

George P. Ferreri, Air Management Administration

Thomas C. Snyder, Air Management Administration

Jane Armstrong, U.S. Environmental Protection Agency

Roy Littlefield III, Maryland Highway Users Federation

William F. Zorzi, American Automobile Association

Mike Miron, Service Station & Automotive Repair Association

John Wallach, Systems Control Inc.

James W. Clarke, Sierra Club

Chris Frederick, Auto Test Products, Ltd.

Neal Borden, Jiffy Lube, Inc.

The following pages list the recommendations with the discussions that led to the Committee's decisions. The appendices also include summaries of the testimony heard and materials provided by the witnesses, all of which were used in developing the final recommendations of the Committee.

## **CENTRALIZED VS. DECENTRALIZED**

The Committee heard testimony from advocates of both centralized and decentralized emissions test programs.

The Committee was concerned primarily with the efficiency, convenience and effectiveness that either program would offer to the citizens of Maryland. The members analyzed the advantages and disadvantages of each program based on testimony from proponents of both systems. The attached minutes of the Committee meeting summarize the relative advantages and disadvantages that were presented to the Committee. However, much of the decision hinged on the testimony from EPA, which was the only entity with first hand experience with both programs throughout the United States.

The Committee voted unanimously to recommend continuing the centralized program. The reasons for such a recommendation included: (1) it is in place and people have grown accustomed to a centralized system; (2) it has shown to be effective in reducing air pollution; (3) it is tamper free; (4) the public has supported this program; (5) it is the most efficient way to continue from a management standpoint; (6) it most easily provides for uniform state-of-the-art testing equipment; and (7) and every citizen using the centralized system receives the same kind and character of service and treatment. Committee members felt that there were no compelling arguments (effectiveness, efficiency, convenience, or cost) from a business perspective to change the system. In summary, the testimony presented did not convince the Committee members that the program should be decentralized.

The Committee did recognize that the centralized program may require more travel for certain citizens. However, it was pointed out that motorists would likely have to leave their vehicles at the decentralized stations, and overall a decentralized program could take more time and be less convenient. The Committee also had a very strong opinion that tests should be separated from repairs to minimize potential fraud.

The Committee did hear in testimony that the centralized program could be improved through administrative changes. They suggested that the State look at these administrative issues and use them in negotiating a new contract with the next successful bidder for the program. These items appear in the section entitled Contractual Issues.

**Recommendation**

**The future program should continue as a centralized, contractor-run program.**

## **BIENNIAL, ANTI-TAMPERING PROGRAM**

Many witnesses, including state legislators, EPA representatives and State agency representatives, testified that relaxing the VEIP program frequency from the current annual schedule to a biennial schedule would produce valuable convenience benefits to motorists. In addition to requiring a motorist to report for testing only once every two years, the testimony presented indicated that test fees could most likely be lowered when averaged over a two year period.

EPA regulations and guidelines require, however, that Maryland must still maintain progress toward improving its air quality. Consequently, any VEIP program continued after 1988 must obtain at least the same level of emission reductions as the current program. Moreover, after 1988, EPA requires I/M programs like the VEIP to generate enhanced i.e. larger emission reductions.

To keep pace with current emission reduction requirements, Maryland can add anti-tampering checks to tailpipe emissions tests performed on a biennial schedule. Several anti-tampering designs are available, none of which would cause substantial delay in the testing throughput in a centralized system, because only half as many vehicles per year as in the current program would be tested in a biennial program.

Furthermore, a three-parameter anti-tampering check (catalytic converter, fuel inlet restrictor, Plumbtesmo test) performed external to a vehicle without opening the hood, would work best in a centralized system designed for high vehicle throughput. When this approach is combined with the proposed six-parameter change-of-ownership tampering check, hydrocarbon emission reductions resulting in the Baltimore metro area improve from 12.9 Megagrams/day for the current program to 13.8 Megagrams/day for the biennial program. (Megagrams equal 1,000 kilograms, or roughly 1.1 English tons.) Similarly, in the two Maryland counties in the Washington, D.C. area, hydrocarbon

emissions improve from 8.6 megagrams/day for the current program to 9.2 megagrams/day for the biennial program.

Finally, the Committee unanimously agreed to recommend that a six-parameter anti-tampering check be required upon change of ownership of vehicles. The reasons for such a recommendation included: (1) testimony indicated that such a procedure would significantly reduce the number of vehicles that have presently been illegally altered, thereby further improving air quality, and (2) such a procedure could be easily implemented because a two-parameter change-of-ownership anti-tampering check is presently required.

#### **Recommendations**

**The Committee unanimously endorsed a biennial VEIP including a three-parameter tampering check. The Committee also recommended adopting a six-parameter change-of-ownership anti-tampering check.**

## **TIGHTENING THE WAIVER PROCESS**

Representatives of both the EPA and the Maryland Department of the Environment testified that the VEIP had an abnormally high waiver rate approaching one out of every five failed vehicles. In contrast, EPA's guidelines for I/M programs operating after 1987 require that waiver rates not exceed 5% of failed vehicles. It was noted that this was the only weak part of the Maryland program and that it must be tightened if EPA is to approve the next program. Although the Committee members unanimously were of the opinion that the waiver system required substantial revision, a consensus was not reached as to whether the waiver system should be eliminated entirely or simply strengthened.

Table 1 shows that 10 of the 30 states operating I/M programs have no waiver program at all. In addition to the obvious additional emission benefits that result from the elimination of waivers, a program without waivers reduces the administrative burden of processing vehicles through the waiver process.

If the State will not eliminate waivers altogether, the General Assembly could increase the waiver cost ceiling and thereby reduce the number of vehicles eligible for a waiver to EPA's target 5% level. Moreover, EPA has recommended a minimum \$75 waiver ceiling for pre-1981 vehicles and a minimum \$200 waiver ceiling for 1981 and later vehicles. Table 2 presents the hydrocarbon emission benefits available from raising the waiver cost ceiling to various levels. Each vehicle removed from the waiver rolls provides four times the hydrocarbon benefits available from vehicles which pass the standards of the current VEIP program. Although the Committee members reached no consensus with respect to the issue of what amount of money spent should satisfy the waiver requirement in the event that the waiver process is not eliminated entirely, all members agreed that if certain minimum waiver amounts are adopted, such amounts must actually correspond with a reasonable amount necessary to actually repair a vehicle



that is polluting the air to an unacceptable degree. The members all agreed that the present waiver minimum was too low.

Committee members also had strong philosophical reservations about the waiver process itself. They felt that a VEIP program that required some vehicle owners to pass emission standards, yet let others off the hook, was inherently unfair. They were especially distressed by vehicles that obtained repeat waivers year after year. Moreover, they were concerned that a waived vehicle would now be on the streets for two years before another test is required under a biennial system. They also felt that going to a biennial test would actually spread the cost of a waiver over two years.

Finally, the Committee reached a consensus that amounts spent to repair a vehicle prior to an emissions test should not be taken into account when considering whether the minimum amount to receive a waiver had been spent by a motorist. The present system allows such a "pre-test waiver".

### **Recommendations**

Although the Committee unanimously supported strengthening the waiver process, the members were split on the best approach to address this problem. Five members favored no waiver at all, while two members favored raising the waiver cost ceiling substantially. Finally, if the State were to continue with a waiver process, the Committee was unanimous in its recommendation that the waiver process be strengthened and that any established dollar minimum required to receive a waiver be connected to the amount necessary to actually correct the polluting condition.

**Table 1**  
**I/M States Without Waivers**

<u>State</u>	<u>Program Type</u>	<u>Program Start Date</u>
District of Columbia	centralized local - run	1/83
Kentucky - (Cincinnati area only)	decentralized tampering	9/86
Louisiana	decentralized tampering	9/85
New Jersey	centralized/decentralized hybrid	2/74
Ohio	decentralized tampering	12/87
Oklahoma	decentralized tampering	1/86
Oregon	centralized state - run	7/75
Rhode Island	decentralized manual	1/79
Tennessee - (Nashville area only)	centralized contractor	1/85
Texas	decentralized tampering	7/84

**Table 2**  
**Additional Emission Reductions Available**  
**from Tightening Waiver Cost Ceiling**

<u>Increase Waiver Cost Ceiling To:</u>	<u>Additional Vehicles Meeting Emissions Standard</u>	<u>Additional Remaining Waived Vehicles</u>	<u>Percent<sup>(2)</sup> Waived Vehicles</u>	<u>HC Emissions Benefits (tons/day)</u>
\$ 50 <sup>(1)</sup>	11,508	23,673	12.3	.34
\$ 75	24,354	10,827	5.7	.47
\$ 100	29,246	5,835	3.0	.74
\$ 200	34,141	1,040	0.5	.99

(1) Eliminates waivers given for low emissions tune-ups that cost less than \$50.

(2) Expressed as a percentage of failed vehicles.

## **INCLUDING HEAVY DUTY TRUCKS AND BUSES**

The Committee heard testimony that by expanding vehicle coverage to include heavy duty gasoline powered trucks and buses, additional hydrocarbon and carbon monoxide emission reductions could be obtained. Concerning the question of whether diesel trucks should be included, the Committee was told that although testing diesel vehicles can yield particulate and NO<sub>x</sub> emissions benefits, it would not yield hydrocarbon (HC) and carbon monoxide (CO) benefits, characteristic of gasoline vehicle testing, that are necessary goals for the VEIP. In addition, testing diesels for particulates and NO<sub>x</sub> emissions requires different equipment than that used to test HC and CO emissions in the existing system.

The potential hydrocarbon emissions benefit from testing heavy duty gasoline vehicles (HDGV) can be calculated by combining information from EPA's Mobile 3 model with data native to Maryland. It is estimated that the inclusion of testing HDGV's would result in reductions equal to 0.7 ton a day in the Baltimore area and 0.5 ton a day in the Washington area or a total reduction of 1.2 tons a day in both metropolitan areas. This would equal a 10% improvement to the program's hydrocarbon emission reductions.

The Motor Vehicle Administration estimates that there are approximately 17,000 HDGV's statewide. These vehicles could be tested in either the centralized system's oversized lanes or at fleet depots as part of the fleet inspection station system. Moreover, testing HDGVs up to 26,000 pounds gross vehicle weight, as was recommended in 1987 legislation, will cover most of these vehicles and would address the longstanding equity issue expressed by many citizens, where cars are tested but not trucks.

The Committee decided to require trucks only up to 26,000 pounds gross vehicle weight because 95% of trucks above that weight are diesels.

**Recommendation**

**The future program should include heavy duty gasoline powered trucks up to 26,000 pounds gross vehicle weight.**

### **EXPANDING MODEL YEAR COVERAGE BEYOND THE CURRENT 12 MODEL YEARS**

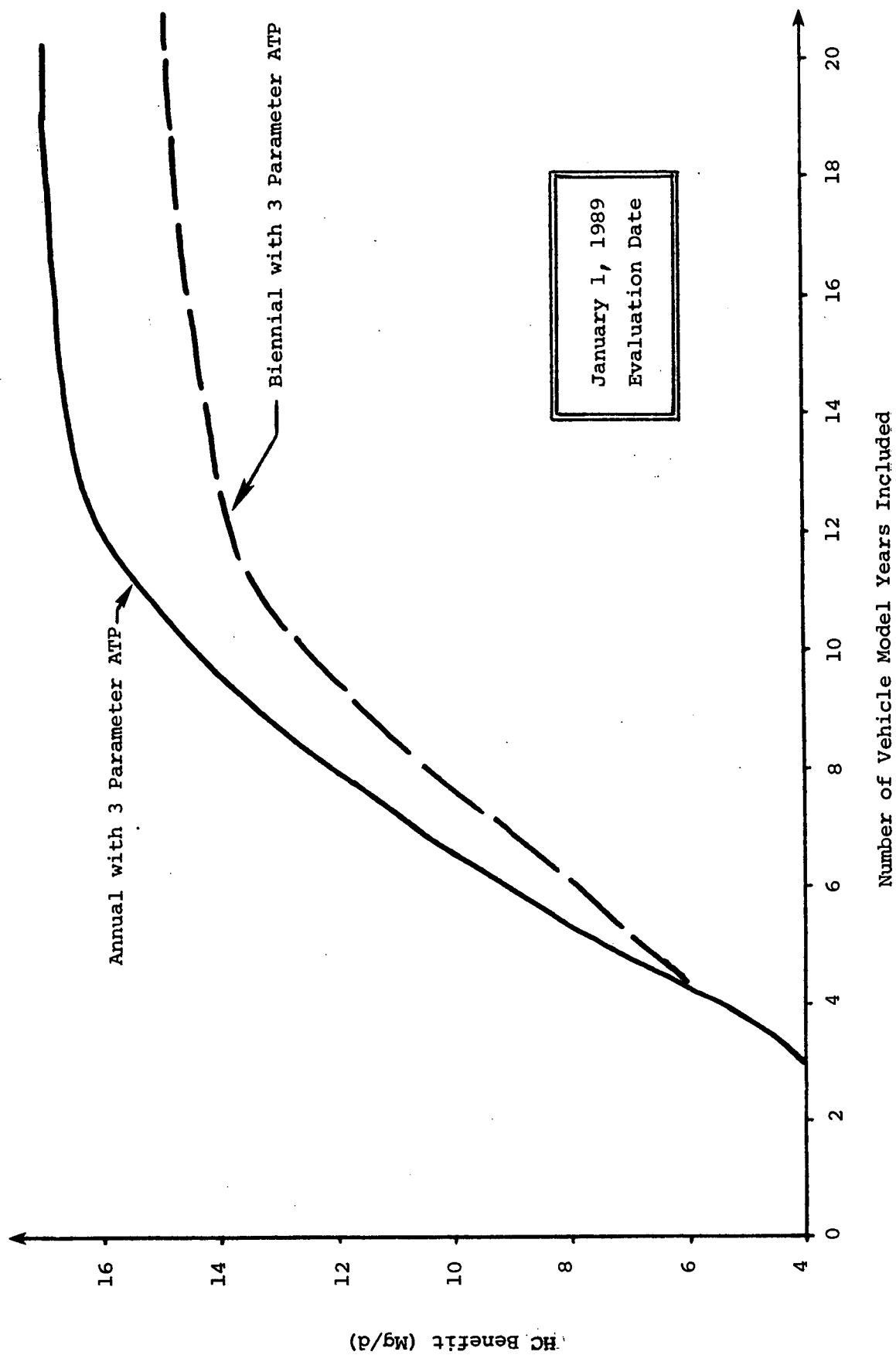
The Maryland VEIP currently tests a floating 12-model year coverage of vehicles. In testimony before the Committee, the EPA representative stated that their guidelines for I/M programs operating after 1987 require a 20-model year float.

Representatives of the Maryland Department of the Environment provided Figure 1 which describes the increasing hydrocarbon emission reductions available from including additional model years. Moreover, the representatives indicated that Maryland will need all the emission reductions it can get to meet the national ozone standard in Baltimore and Washington, D.C.

#### **Recommendation**

The Committee agreed that the post-1987 VEIP should test all eligible vehicles back to the 1975 model year, until model year coverage reaches 20 years, at which time the program should convert to a floating 20-model year schedule.

FIGURE 1.



### **CONTRACTUAL ISSUES**

During the course of testimony, several witnesses pointed to the fact that the program should be made more convenient for the public. The Committee did not make a specific suggestion for these issues, but recommended that each be negotiated as part of any future bid between the contractor and the State.

The Committee felt that the General Assembly should look closely at the following issues: (1) method of payment for testing (specifically, allowing payment by check or money order); (2) including the test fee as part of the vehicle registration fee; (3) constructing additional stations/lanes to relieve congestion; and (4) expand operating hours of the testing facilities to better accommodate motorists' work schedules.



## MINUTES

**Governor's Special Committee on the  
Vehicle Emissions Inspection Program**

**Richard O. Berndt, Chairman**

**Minutes of the September 8, 1987 Meeting, 3:00 pm**  
**Room 200, James Senate Office Building**  
**Annapolis, Maryland**

Mr. Berndt opened the meeting by introducing the committee members and explaining the Governor's charge to review the issues and make a recommendation for the future VEIP to be centralized or decentralized on an annual or biennial schedule and the recommendation should be to the Governor by November 1, 1987.

Mr. Berndt then introduced the witnesses who were to brief the committee on the VEIP program to date. They included Secretary Marty Walsh, Department of the Environment (MDE), Marshall Rickert, Administrator of the Motor Vehicle Administration (MVA) and George Ferreri, Director of the Air Management Administration (MDE).

#### Secretary Walsh

Mr. Walsh briefly summarized his Department's position that the VEIP is of critical importance to meeting good air quality standards. He noted that although MVA administered the VEIP and it is seen as a transportation effort, it really is an environmental program. He stated that it has been a very effective program and that the state is pleased with the way it has performed from an operational and air pollution reduction stand point. Secretary Walsh had to leave for another appointment and Marshall Rickert and George Ferreri continued the briefing.

#### Marshall Rickert

Mr. Rickert reviewed the need for the program as a requirement of the Federal Clean Air Act (CAA), where states are subject to loss of federal funds if they do not implement such programs; however, he noted that certifiable benefits had occurred as a result of the program and that it has been most effective in reducing pollutants.

Mr. Rickert explained that "we are here" because the current contract with Systems Control, Inc. will end December 31, 1988 and the Clean Air Act will require a program after that date. The current program has been beneficial and effective, but any new program will require anti-tampering checks because it is estimated that 1/2 of future benefits will come through tampering checks and new emission controls on cars.

He then reviewed the state legislation that established the program explaining that it was set up to be a five year program, to be operated by a neutral third party, to identify vehicle failures so they could be repaired by service stations and consequently improve their hydrocarbon (HC) and the carbon monoxide (CO) emissions. The program began in February 1984 and the current contract and program will end on December 31, 1988.

Next he outlined the responsibilities of various agencies. The MVA performs the day to day administration of the program by notifying vehicle owners and enforcing it through denial of vehicle registration if a person does not have his/her car tested. MVA also acts as a procurement agency with the contractor, Systems Control, Inc. The Department of Environment sets air quality standards, monitors air quality and acts as the liaison with the U.S. Environmental Protection Agency who oversees the program for compliance with the Clean Air Act. The contractor System Control, Inc. owns the property and ten test stations and operates them and the data interface with the state.

A question and answer session began following Mr. Rickert's review.

- Responding to a question, Mr. Rickert reviewed attachment 1, a comparison of advantages and disadvantages of centralized and decentralized programs.
- He was asked how the test fee could be similar or lower for a gas station. He responded that a centralized program recovers costs through the test fee, while a gas station would recover costs by repair charges also.
- A committee member asked if the program could be performed on a biennial basis. Rickert said that EPA feels that by also including anti-tampering checks in the test a state could perform tests every 2 years. This was the basis for last year's centralized biennial anti-tampering program, which would give better benefits than the current annual program.
- Mr. Rickert was asked how long the test takes. It takes an average of 15 minutes with taking as little as 2 minutes, depending on the time you come. The end of the month is generally longer.

- A committee member made the observation that the current contractor should have paid off its capital expenses by now and if they have a second time around there should be a reduced fee.
- Mr. Rickert was asked for his recommendation on which type of program he wanted. He explained he did not have a formal position and that technologically either could be done and is hoping that the committee will give direction. He expressed that a radically new program would be the most difficult to implement.
- Mr. Rickert was questioned if MVA had made changes to make the program more convenient. He said they had shifted hours, improved notification and other efforts within the contract. He said that any future contract would have more requirements for convenience to the customers.
- He was asked if last year's Task Force looked at the program from a convenience, cost, effectiveness point of view. He responded yes, biennial reduced the test by 1/2 and got better air quality benefits.

Mr. Rickert then left to attend another hearing and Mr. Ferreri responded to committee questions.

#### George Ferreri

Mr. Ferreri explained that anti-tampering checks would be a major part of any new program and that it is estimated that 0-25% of cars have been tampered with.

- Mr. Ferreri was asked if people are maintaining their cars better as a result of this program. He responded that the indications are yes.
- He was asked if EPA checks on the benefits of the program. Mr. Ferreri responded that EPA continually audits the programs, which are in 35 states, and prepares a report quarterly and annually.

- Mr. Ferreri was asked if any state has a 2 year exemption for new cars. He did not know, but replied that Maryland has a 1 year exemption. He will provide the other information to the committee at a later date.
- Mr. Ferreri was asked for his position on a biennial vs. annual test schedule. He noted that the VEIP is a part of a statewide strategy to improve air quality. To date the state has not met its goals and an enhanced VEIP program will be necessary, possibly requiring air annual tests; however, the state supported a biennial test last year and would like to continue on that basis.
- Mr. Ferreri was asked if the states would take a position on an annual vs. biennial program before the committee concluded. He responded he attempts to.

Mr. Bruce Diehl, the VEIP Program Manager, was asked to respond to a few questions:

- Mr. Diehl was asked how the criteria for the location of stations were made. He responded that the RFP required 80% of the population to be within a 12 mile radius of the 10 states and 100% within a 20 mile radius. This concluded the testimony for the day.

Mr. Berndt thanked the testifiers and asked the committee to set their calendars for future meetings. It was decided that future meetings would be held on September 29th, October 14th and 19th and that the committee would set aside October 28th in case a 5th meeting was necessary.

The September 29th meeting was scheduled as a public hearing to take testimony from interested groups. Mr. Berndt said that the committee may want to ask some testifiers back to clarify issues at the October 14th meeting. The persons would be notified if that is necessary.

Mr. Berndt then adjourned the meeting.

**Governor's Special Committee on the  
Vehicle Emissions Inspection Program**

**Richard O. Berndt, Chairman**

**Compilation of Testimony Presented at the  
meeting of September 29, 1987, 3:00 pm, Room 200  
James Senate Office Building, Annapolis, Maryland**



**THE JOHNS HOPKINS UNIVERSITY • BALTIMORE, MARYLAND 21218**

**THE DEPARTMENT OF GEOGRAPHY  
AND ENVIRONMENTAL ENGINEERING**

**Governor's Special Committee on the  
Vehicle Emissions Inspection Program**

**Tentative schedule of testifiers  
for September 29**

- 1 - Delegate John Leopold
- 2 - Delegate William A. Clark
- 3 - Mr. Charles Riter, Riter Marketing Research Company
- 4 - Mr. James W. Clarke, Sierra Club
- 5 - Dr. Roy Littlefield III, Maryland Highway Users Federation
- 6 - Mr. William F. Zorzi, American Automobile Association
- 7 - Mr. Mike Miron, Service Station and Automotive Repair Association
- 8 - Mr. John Wallach, Systems Control, Inc.
- 9 - Mr. Chris Frederick, Allen Test Products
- 10 - Mr. Neal Borden, Jiffy Lube, Inc.
- 11 - Ms. Jane Armstrong, United States Environmental Protection Agency



**Brief synopsis of testimony:**

**Delegate Leopold**

- manner of funding VEIP is of concern
- change funding from fee-based to a state-wide mechanism
- state-funded systems exist in Illinois, Indiana, Wisconsin, New Jersey
- without an acceptable program, Maryland stands to lose \$200M in federal support

**Delegate Clark**

- now strongly endorses a centralized program with a decentralized re-test
- appear to be few serious problems currently
- if program opened up to the private sector, could there be additional problems, costs?
- appears desirable to have a system with no vested interest in repairs
- there apparently is some service station adverse reaction to the prospect of a decentralized program
- regarding the current system - do we need more lanes?; more locations?
- in a biennial system, will a higher per-car fee result?
- a dual system probably won't work
- difficult to bid a dual system
- remember the need to please EPA

**Mr. Charles Riter, Riter Marketing Research Company**

- a comprehensive survey was conducted on public perceptions/attitudes toward VEIP
- 3 or 4 favor separation of testing and repairs
- desire to have more stations
- problems with decentralized system; experiences of perceived fraud (>50%), extended durations without car

{numerous other references, generally contained in "Attitude Toward and Experiences with Decentralized Emissions Testing Programs;" the executive summary is provided in Appendix 1}

**Mr. James W. Clarke, Sierra Club**

- the Sierra Club strongly supports the VEIP
- they support, as well, biennial testing

**Dr. Roy Littlefield III, Maryland Highway Users Federation**

- argued for the establishment of a decentralized program on the grounds of convenience, monetary concerns and flexibility it provides the State
- consumers would have greater choices at more convenient locations
- emissions analyses cannot be tampered with
- consumers would maintain the freedom of where to have repairs effected for a failed vehicle
- a decentralized system would save the public money, fees could be lowered
- in reference to Senator Mitchell's proposed Clean Air Act, VEIP would extend to all of Maryland: the flexibility of a decentralized system would mean that additional capital building expenditures would not be required
- only 13 of 35 states have centralized systems

{Dr. Littlefield's testimony is provided in Appendix 2}

**Mr. William F. Zorzi, American Automobile Association**

- presented the results (unofficial) of a AAA survey on "Emissions Tests"
- motorists have apparently "gotten used" to the program

{Mr. Zorzi's survey results are provided in Appendix 3}

**Mr. Mike Miron, Service Station and Automotive Repair Association**

- presented arguments for a decentralized program - it provides the best means to meet the needs of consumers, industry and the State to keep the air in Maryland clean
- a decentralized system will have the following attributes: flexibility, convenience, lower costs, tamper-proof test equipment
- flexibility is an important issue, for example, as air becomes cleaner, the need for test locations will diminish and the accompanying attrition will be easier to deal with
- similarly, expansion is also conveniently accommodated

- in any event, a decentralized program does not require the construction of test facilities at the public's expense
- the average distance to a test facility (12 miles) seems large; such distances reduce under a decentralized system
- the anxiety of possibly failing a test makes many motorists have their cars "pre-tested"
- a decentralized system will cost less
- tamper-proof systems are certainly possible in a decentralized program

{Mr. Miron's testimony is provided in Appendix 4, as is a recently received document, "Estimated Cost to Repair Facilities to Participate in a Decentralized Program"}

**Mr. John Wallach, Systems Control, Inc.**

- a decentralized system will cost more
- a decentralized system is not tamper-proof; example of substituting a "clean" car during the test
- EPA's audit of current program yielded favorable reviews, "Keep up the good work;" furthermore, integrity of the program is high and the enforcement process is excellent
- "Manual requirements for test results data collection in the decentralized system is more costly, less efficient and provides greater opportunities for error, lost information and vehicles escaping enforcement"
- a centralized system is immune from fraud and conflict of interest because of the complete separation of testing from repairs
- the centralized system makes a better contribution to improved air quality

{the Executive Summary from "Centralized vs. Decentralized Vehicle Emissions Inspection Programs - A Comprehensive Analysis for the Governor's Task Force on Vehicle Emissions Control" is provided in Appendix 5}

**Mr. Chris Frederick, Allen Test Products**

- the committee has been misled on some facts
- anti-tampering concerns in a decentralized system are overblown
- a decentralized program is more convenient, e.g. less travel distance - as well, a calculation showed a potential (decentralized) cost savings of \$3.10.
- a decentralized system can increase emission reductions

- a decentralized program is better for Maryland business
- a decentralized program is easier to expand or contract than a centralized system

(the final two pages (a summarization) of "Centralization vs. Decentralization by Allen Test Products, Ltd, is provided in Appendix 6)

**Mr. Neal Borden, Jiffy Lube, Inc.**

- argued for a centralized system but with more locations
- favors biennial tests with additional anti-tampering checks
- Jiffy Lube has over 50 existing and planned centers, and they don't perform repairs
- a centralized system involving Jiffy Lube would result in continuance of an already successful program, but with enhanced convenience
- a decentralized system would significantly increase the risk of consumer complaints and questions
- there is an alternative to the two apparent extremes, a centralized system with only 10 inspection stations or a totally decentralized system - that is, a centralized system involving Jiffy Lube and its many more locations

(testimony of Neal D. Borden is provided in Appendix 7)

**Ms. Jane Armstrong, U.S. E.P.A.**

- some decentralized programs (Virginia, North Carolina) are experiencing serious problems - the EPA is requesting corrective plans
- the administrative control necessary to assure that reductions are achieved is easier and cheaper in centralized programs
- an "enhanced I/M" requirement will soon be proposed by EPA - while the agency does not intend to back away from its policy of allowing either centralized or decentralized networks, the administrative requirements are significantly increased for the latter type of program
- centralized systems can easily be adapted to changing circumstances, e.g. the advent of distributorless ignition systems - in a centralized system, the cost burden of changing test instrumentation is easier to bear.
- a biennial program is impressively cost-effective

(Ms. Armstrong's testimony is provided in Appendix 8)

**Minutes of the October 14, 1987 Meeting**

**Governors Special Committee on the  
Vehicle Emissions Inspection Program**

**3:00 p.m. - Conference Room  
Old Hall of Records  
Annapolis, Maryland**

- the meeting began with a demonstration of the type of emissions analyzer that would be used in a service station.

#### Senator Della's Testimony

- an outrage has been perpetrated on the legislature/public
- an individual in the Governor's office helped to write the legislation on the first VEIP program; subsequently left to join a law firm that had, as a major client, Systems Control Inc. (who eventually got the testing contract); this constitutes a blatant abuse of ethics
- decentralized program is in the public's best interest
- concern is for the public and their convenience in this issue
- fraud is always possible
- question posed to Senator Della: any statistics on fraud in decentralized systems?; follow-up answer promised

#### General Discussion

- how many bidders for the first VEIP contract? (2), and the low bid won.
- Mrs. Holt delineated 7 points (presented earlier to Chairman Berndt - Mrs. Holt could not be in attendance)
- general sense of consensus regarding these points
  - 1) centralized vs. decentralized program: unanimous agreement on retaining a centralized program
  - 2) testing every year or every other year: unanimous agreement that a biennial program should be endorsed
  - 3) anti-tampering provisions: all agreed that a 3 point check at time of testing should be adopted
  - 4) waiver structure: general agreement that it's too easy to obtain a waiver, the waiver process needs tightening up
  - 5) method of funding program:
    - in that federal highway funds benefit all of Maryland, all citizens should be financially involved in the program, perhaps through payment of an additional fee for vehicle registration
    - desirable to eliminate cash on hand?
  - 6) penalties for falsifying records: already dealt with - falls within the jurisdiction of the State Police
  - 7) more facilities in a centralized program?: given a biennial program, congestion should be much less of a problem
- additional issue: should heavy gas vehicles be exempt from testing?

**Minutes of the October 19, 1987 Meeting**

**Governors Special Committee on the  
Vehicle Emissions Inspection Program**

**3:00 p.m. - Conference Room  
Old Hall of Records  
Annapolis, Maryland**

- continuation of the discussion of October 19, regarding recommendations on the major issues
- again, unanimous agreement on retaining a centralized system
- complete agreement on adopting a biennial testing program
- 3-point anti-tampering check at time of test agreed upon (doesn't involve under-the-hood inspection, thus delays should be minimized)
- 5 committee members argue for no waiver at all; 2 supported a higher waiver limit (greatly strengthened)
- (10 states do not have a waiver; it's undesirable to have excessively-polluting cars on the road for 2 years between tests)
- eliminate practice of allowing waiver before a test; correction should take place only after the test
- air quality improvements possible by including heavy duty ( $\leq 26000$  lbs) gas trucks in the testing program
- (reason for 26000 lb limit: such trucks will fit into existing testing bays; 95% of trucks above 26000 lbs are diesel and thus exempt)
- unanimous agreement on including such trucks in the program
- who should pay for the program?; non-test area cars pollute VEIP areas but do not participate financially
- stated that non-test area cars contribute only about 5% to VEIP area pollution
- is current method of payment satisfactory? probable delays, other problems if credit cards or checks were allowed
- pay for the program through a registration surcharge?; should be looked at, but it could present an administrative problem
- issues regarding how to pay for the program might best be addressed by MVA when they establish a new RFP for post-88 VEIP
- in moving to a biennial program, new testing stations might not be needed
- MVA feels better, more convenient hours of operation for testing stations are possible
- which cars to test?; greatly diminishing returns for testing cars prior to 1975 model year
- currently about 85% of the car fleet is tested
- consider starting at 1975, and then test all years until present, until a 20 year span is reached - then a 20 year rolling program
- all indications thus far indicate that any and all pollution control measures will be needed to meet air quality objectives
- regarding bidders for a centralized contract-ensure that complete separation of testing from repairs is continued (i.e. a testing contractor should not have a vested interest in another business which does vehicle repairs)



**Minutes of the October 28, 1987 Meeting**

**Governors Special Committee on the  
Vehicle Emissions Inspection Program**

**Richard O. Berndt, Chairman**

**3:00 p.m. - Conference Room  
Old Hall of Records  
Annapolis, Maryland**

- Mr. Berndt opened the meeting by confirming that each member of the committee had received a copy of the draft final report and had reviewed the report. Mr. Berndt acknowledged that Mr. Callahan was unable to attend this meeting, but that he had received Mr. Callahan's comments on the report.
- Mr. Berndt then invited Marshall Rickert, Administrator of the Motor Vehicle Administration (MVA) and Thomas Snyder of the Air Management Administration (MDE) to participate in the discussion of the final report as technical advisors. The committee then proceeded to discuss the final report section by section.
- The committee made minor typographical changes to the membership roster. However, Mr. Berndt suggested and the committee agreed that each member's business address should be included on the roster.
- Mr. Berndt suggested that the committee's recommendations in the Executive Summary should be split into two categories: major recommendations falling under the primary committee charge and related concerns the committee made recommendations on. Further discussion on the tampering checks and on the waiver process followed, prompting the committee to add recommendations on a six-parameter change-of-ownership tampering check and on exclusion of waivers for pre-test repairs.
- The committee made no significant comments on the Background section.
- Discussion among the committee on the Centralized vs. Decentralized section emphasized three major points. First, the current centralized contractor-run program was operating very efficiently and was well accepted by the motoring public. Second, the committee felt strongly that inspections should be separated from repairs. Third, the committee found no compelling arguments to recommend a change to a decentralized system. Mr. Berndt also interjected that the centralized system should be recommended, because it provides every citizen the same kind and character of service and treatment; whereas, the same could not be said for a decentralized system.
- In the Biennial, Anti-Tampering Program section, the committee asked Mr. Snyder to provide additional information on the benefits obtainable from the Maryland counties (Montgomery, Prince George's) in the Washington, D.C. area and to explain the term Mg or megagram. Mr. Rickert was asked to expound on the current two-parameter change-of-ownership tampering checks. Consequently, the committee recommended that the change-of-ownership tampering checks be expanded to six parameters, since air quality could be improved by reducing the number of vehicles illegally altered and since the additional four parameters could be easily added to the existing change-of-ownership program.
- Lengthy discussion continued on the Tightening the Waiver Process section. Mr. Snyder was asked to explain Table 2 on emission reductions. The committee emphasized they supported a substantial strengthening of the waiver process. The committee felt that it was important that any waiver amount adopted should correspond with a reasonable amount necessary to actually repair a vehicle. Furthermore, the committee recommended that no vehicles receive a waiver for repairs performed before the emissions test is taken.
- The committee's discussion on the Including Heavy Duty Trucks and Buses section focussed on the ceiling of 26,000 pounds gross vehicle weight. Mr. Rickert commented that the 26,000 pound cutoff was convenient from a vehicle registration standpoint and that 95% of all vehicles above 26,000 pounds are diesel-powered and would provide

no hydrocarbon or carbon monoxide emission benefits. However, the committee did delete a reference to the International Registration Program, considering it an administrative issue.

- Only minor modifications were made to the Expanding Model Year Coverage section.
- The committee severely abbreviated the Contractual Issues section. Mr. Rickert remarked and the committee members agreed that these issues were administrative issues and would be best advised in the negotiations for the new contract for the centralized inspection system. Consequently, the committee avoided making recommendations in these areas, but did itemize issues that the MVA and the General Assembly might want to consider.
- Dr. Ellis commented that minutes from the three final meetings had yet to be compiled for the report. No other comments were made on the appendices attached to the report.
- Before adjourning the meeting, Mr. Berndt directed Dr. Ellis to consolidate the comments discussed at this meeting into a final report as soon as possible to meet the November 1, 1987 deadline. Mr. Berndt advised the committee members that they may be called upon to testify on the report before General Assembly committees. Finally, Mr. Berndt thanked the committee members for their excellent efforts and adjourned the meeting.

## APPENDICES

## **APPENDIX 1**

**Executive Summary from  
"Attitudes Toward and Experiences with  
Decentralized Emissions Testing Programs,"  
Riter Marketing Research Company**

### Executive Summary

1. While most motorists recognize that the emissions testing centers with a decentralized program are convenient to where they live, the majority of the public experience one or more "inconveniences" in getting their vehicles tested. These inconveniences range from waiting to get the vehicle tested to being told to come back another day.

#### Convenience Measures In States With Decentralized Testing Programs

	<u>Georgia</u>	<u>Michigan</u>	<u>New York</u>	<u>California</u>	<u>Total Sample</u>
Convenient to where live	84%	85%	82%	79%	83%
Had to wait to get vehicle tested	76	45	61	56	59
Had to leave vehicle to be tested	19	16	67	33	34
Asked to bring car back another time	29	8	44	13	23
Had to go to more than one garage	35	9	31	19	23

2. On average, motorists who waited for their emissions test waited 36 minutes before having their vehicle tested.
3. On average, motorists who had to leave their car to be tested for emissions left their vehicle for 12 hours.

#### How Long Had to Leave Car for Testing

	<u>Percent Response</u>
Under 3 hours	30%
3 to 6 hours	21
7 to 23 hours	19
24 hours or more	26

4. Most motorists do not trust garages and service stations, as they feel they recommend repairs and services which are not required (56%).
5. The majority of motorists see a conflict in allowing emissions testing stations to also perform repairs.

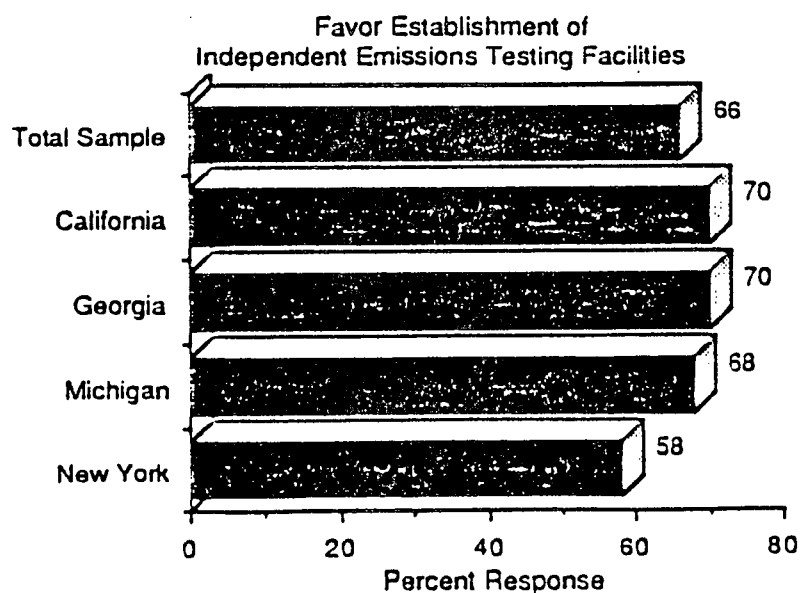
**Feel There Is a Conflict of Interest  
by Allowing Inspections to be  
Conducted by Service Stations / Garages**

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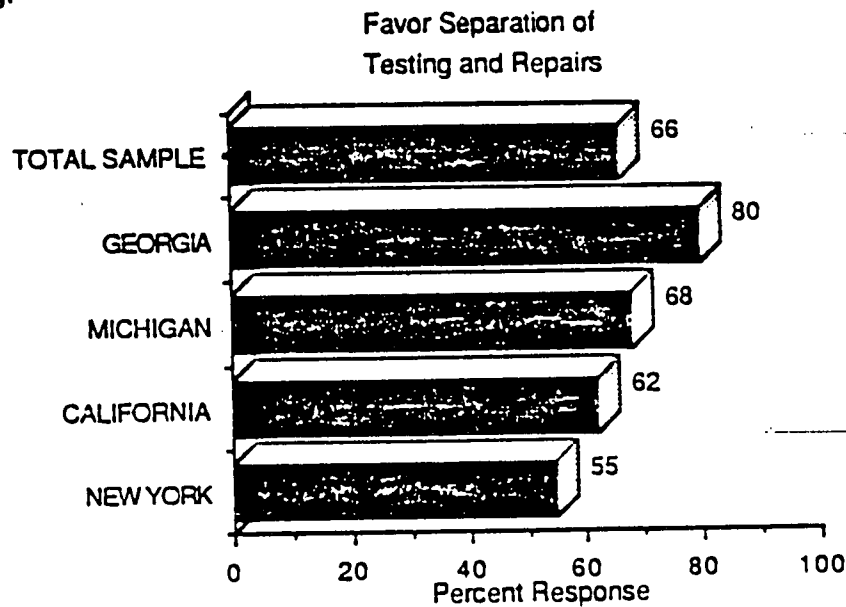
	<u>Percent Response</u>
Total Sample	62%
Michigan	68
California	64
Georgia	62
New York	56

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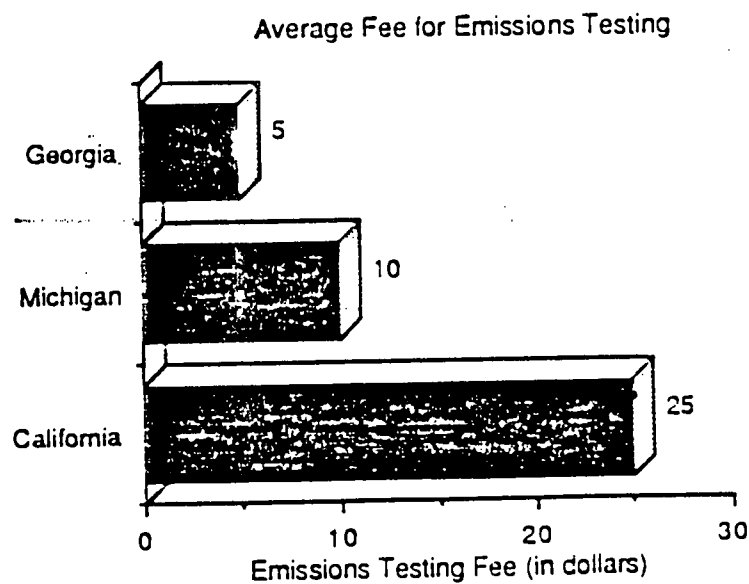
6. The majority of motorists favor the establishment of independent testing facilities for emissions testing in states with a decentralized program (66%).



7. The vast majority of the public who have a decentralized program favor the separation of repairs and testing.



8. In California, where emissions testing fees are not regulated, the average cost of an emissions test was \$25.00 or two and a half to five times higher than fees in states where emissions testing fees are regulated.





**APPENDIX 2**

**Testimony of Dr. Roy Littlefield, III  
Maryland Highway Users Federation**

TESTIMONY  
DR. ROY LITTLEFIELD.  
PRESIDENT  
MARYLAND HIGHWAY USERS FEDERATION

Good afternoon. My name is Roy Littlefield and I serve as President of the Maryland Highway Users Federation. MHUF is the state affiliate of the Highway Users Federation, the nation's largest highway transportation association representing over 400 organizations and companies. Representative members include the American Automobile Association, American Trucking Association, Motor Vehicle Manufacturers Association, National Association of Truck Stop Operators, National Automobile Dealers Association, American Petroleum Institute, General Motors, Ford, Chrysler, American Motors, Goodyear, Firestone, Amoco, Exxon, and the Chamber of Commerce.

Representing the highway user community, whenever a state inspection program is put into place, whether it be a vehicle emissions testing or periodic motor vehicle safety inspection, we support a decentralized system with tests conducted by the private sector.

We support decentralized programs because of convenience, monetary concerns, and because of the flexibility it provides the State.

Currently over 460 stations have the proper equipment to conduct tests for vehicles which fail the initial emissions test. EPA has asserted that a decentralized program could be as effective as a centralized system with the proper computerized systems. It is not unreasonable to assume that if Maryland adopted a decentralized system, that over 1,000 service stations, tire dealers, repair shops, and automobile dealers--all Maryland-based small businesses--would participate. This would give consumers greater choices at more convenient locations.

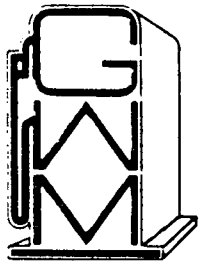
For those who argue that those who repair the vehicles should not conduct the emissions tests, I would like to make the following points. Emission analyzers in a decentralized system are set by the State and cannot be tampered with by the facility operator. Because the centralized sites do not

do repair work, motorists must bring a failed vehicle to a repair facility of his/her choice. A consumer would continue to have that freedom of choice for repair work under a decentralized system.

We contend that a decentralized system saves the motoring public money. Dealers could charge less than the fee charged at centralized sites, and many would compete for business with advertised lower prices. Also, currently the average Maryland motorist must drive 12 miles to an inspection facility. If indeed over 1,000 stations participate in a decentralized system, consumers should enjoy the convenience of neighborhood sites.

And finally, a decentralized system allows for greater flexibility by the State. If for example, Senator Mitchell's proposed Clean Air Act becomes law, the VEIP would extend to virtually all of the State of Maryland. A decentralized system, utilizing current Maryland businesses, would not require any capital building expenditures. Because Maryland is failing to attain ozone levels required by the 1977 amendments to the Clean Air Act, there is a threat that highway funds could be reduced. A decentralized system would allow the State to quickly move to a 6-point check by qualified mechanics at the same consumer rate.

Nationwide, 35 states have vehicle emission warranty programs. Only 13 states have a centralized system. We believe that trend recognizes consumer wants. To enhance the effectiveness of the inspection program, Maryland could become the first state in the nation that has a decentralized program that included a 6-point check. We believe that such a program would react to environmental concerns and would recognize current state small business expertise.



ROY E. LITTLEFIELD  
Executive Director

## SERVICE STATION AND AUTOMOTIVE REPAIR ASSOCIATION

9420 Annapolis Road, Suite 307  
Lanham, Maryland 20706  
(301) 577-2875  
WATS: 1-800-492-0329

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October 9, 1987

Dr. Hugh Ellis  
Johns Hopkins University  
Department of Geography  
and Environmental Engineering  
Charles and 34th Street  
Baltimore, MD 21218

Dear Dr. Ellis:

We thought it very important to reiterate to you and to the members of the Select Committee on Maryland's Vehicle Emissions Inspection Program our position that under a decentralized systems, dealers would include a 6-point anti-tampering check in the inspection for the current \$9.00 fee. Of course, the State would continue to receive the \$1.50 per inspection.

We believe that such a program would be more convenient to consumers, would better react to environmental concern, and would recognize current Maryland small business expertise.

Thank you for considering our position. If you desire any additional information, please do not hesitate to contact me.

Sincerely,

Roy Littlefield  
Executive Director

RL:phf

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**APPENDIX 3**  
**AAA Survey Results**

20221

## LEGISLATIVE

### Emissions Tests

Please answer the next four questions by checking one box only if you live in the Baltimore Metro Area (Baltimore City, Baltimore, Anne Arundel, Carroll, Harford or Howard counties):

12. The Environmental Protection Agency (EPA), acting under Federal law, has decreed that emissions tests in urban areas must be continued after December 31, 1988. Do you favor tests by:

- 53 ☐ One contractor (as at present) known as the centralized system?  
16 ☐ Decentralized system (private garages now certified to make repairs only)?  
31 ☐ Both A & B above (dual system)?

13. As to retests, if you fail the test, would you favor retesting by:

- 51 ☐ The centralized system?  
20 ☐ The decentralized system?  
29 ☐ The dual system?

14. No matter who does the tests, should they be done:

- 30 ☐ Every year (as at present)?  
70 ☐ Every other year (biennially)?

15. A task force last year asked that gasoline-powered trucks be tested for polluting. Do you:

- 97 ☐ Favor such truck testing?  
3 ☐ Oppose such truck testing?

### Periodic Motor Vehicle Inspection (PMVI)

16. A new bill calling for annual safety inspections by the state will be introduced in 1988. Do you:

- 60 ☐ Favor PMVI legislation.  
40 ☐ Oppose PMVI legislation.

### Trucks

17. Do you favor or oppose legislation requiring trucks with a loose load of sand, gravel, etc. to be covered?

- 98 ☐ Favor 2 ☐ Oppose

18. Do you favor or oppose allowing truck lengths to be increased?

- 5 ☐ Favor 95 ☐ Oppose

19. Do you favor or oppose truck widths to be increased?

- 5 ☐ Favor 95 ☐ Oppose

20. Do you favor or oppose penalizing truck owners, not drivers for weight violations?

- 97 ☐ Favor 3 ☐ Oppose

- ANSWERS IN % -

#### **APPENDIX 4**

**Testimony of Mr. Mike Miron  
Service Station and Automotive Repair Association and  
"Estimated Cost to Repair Facilities  
to Participate in a Decentralized Program"**

GOOD AFTERNOON. MY NAME IS MIKE MIRON. I AM CHAIRMAN OF THE LEGISLATIVE COMMITTEE OF THE GREATER WASHINGTON/MARYLAND SERVICE STATION AND AUTOMOTIVE REPAIR ASSOCIATION. I OPERATE EASTPORT SHELL IN ANNAPOLIS. MY STATION IS A CERTIFIED STATE EMISSIONS REPAIR FACILITY. OUR MEMBERSHIP CONSISTS OF OVER 1,500 SERVICE STATIONS, AUTO REPAIR FACILITIES AND AFFILIATED BUSINESSES. WE FEEL THE ASSOCIATION SERVES THE INTERESTS OF THE APPROXIMATELY 5,000 SMALL BUSINESSES WHO SERVICE AND REPAIR AUTOMOBILES IN MARYLAND. OUR POSITION CONCERNING THE VEHICLE EMISSIONS INSPECTION PROGRAM CONTINUES TODAY AS IT WAS FOUR YEARS AGO: A CENTRALIZED PROGRAM PROVIDES THE BEST MEANS TO MEET THE NEEDS OF CONSUMERS, INDUSTRY AND THE STATE TO KEEP THE AIR IN MARYLAND CLEAN.

WHAT I BRING BEFORE YOU TODAY IS A RECOMMENDATION FOR A DECENTRALIZED EMISSION PROGRAM WHICH CALLS UPON ALL THE TALENTS AND RESOURCES OF THE PRIVATE SECTOR OF MARYLAND SMALL BUSINESSES TO PROVIDE SERVICE AND CHOICE TO THE CONSUMERS OF MARYLAND. HOW CAN SERVICE STATIONS AND OTHER BUSINESSES OF THIS TYPE ACHIEVE THIS? WHAT WILL BE THE ADVANTAGE TO THE CONSUMER? A DECENTRALIZED EMISSION PROGRAM WILL CONTAIN FOUR PRECEPTS: FLEXIBILITY, CONVENIENCE, LOWER COSTS AND TAMPER PROOF TEST EQUIPMENT.

WHY MUST A DECENTRALIZED EMISSION PROGRAM BE FLEXIBLE? THERE SHOULD BE ROOM, SO TO SPEAK, FOR THE PROGRAM TO EXPAND OR CONTRACT DEPENDING ON FUTURE REQUIREMENTS. AS OUR AIR BECOMES CLEANER, AND I THINK WE HAVE TO BELIEVE THAT IT WILL, THE NEED FOR TEST LOCATIONS WOULD DIMINISH AND THE ATTRITION RATE WOULD BE EASIER TO DEAL WITH. CONSEQUENTLY IF IT BECOMES NECESSARY TO EXPAND THE PROGRAM TO OTHER JURISDICTIONS IN THE STATE THE ADVANTAGE OF A DECENTRALIZED PROGRAM BECOMES MORE APPARENT. IMPLEMENTATION CAN BE ACCOMPLISHED EASIER, AND THE PROCESS LESS COSTLY. UNDER A DECENTRALIZED PROGRAM, ANY EXPANSION WOULD NOT REQUIRE CONSTRUCTION OF TEST FACILITIES, THEREBY SAVING THE CITIZENS OF OUR STATE MONEY!



HOW CONVENIENT WOULD A DECENTRALIZED PROGRAM BE? I WAS AMAZED TO LEARN THAT THE AVERAGE TRAVELED DISTANCE ONE-WAY TO AN EMISSION TEST STATION IS 12 MILES. THIS DISTANCE IS LESSENERED IN METROPOLITAN AREAS, BUT IN RURAL AREAS IT COULD BE MORE. THIS TRAVEL DISTANCE AND TIME WOULD BE SIGNIFICANTLY LESSENERED IN A DECENTRALIZED PROGRAM BY INCORPORATING A NETWORK OF HUNDREDS OF TEST FACILITIES. CONSUMERS WOULD HAVE A CHOICE WHICH THEY DO NOT HAVE UNDER OUR CURRENT SYSTEM. SO MANY OF MY CUSTOMERS HAVE ASKED ME "WHY DO I HAVE TO GO TO THE TEST CENTER, WHY CAN'T YOU TEST MY CAR". I ALSO FIND MYSELF IN THE POSITION OF PRE-TESTING VEHICLES FOR MY CUSTOMERS. THEY HAVE A BASIC FEAR OF GOING TO A TEST STATION, WAITING IN LINE AND THEN FAILING THE TEST. IT IS NOT SO MUCH FAILING THE TEST THAT BOTHERS PEOPLE, BUT THE LIKELIHOOD OF THEM HAVING TO RETURN TO THE FACILITY FOR A RE-TEST AND WAITING IN LINE AGAIN. THESE ARE THE MOMENTS OF ANGUISH AND FRUSTRATION FOR ALL OF US UNDER A DECENTRALIZED SCENARIO. AT LEAST ONE WOULD BE ABLE TO LEAVE A CAR AT A TEST FACILITY AND GO FOR A WALK, OR HAVE LUNCH OR SOME OTHER NON CONFINING ACTIVITY. THIS IN ITSELF WOULD ADD A WHOLE DIFFERENT DIMENSION THAN THE CENTRALIZED DEPERSONALIZED SYSTEM WE NOW HAVE. OTHER SCHEDULED MAINTENANCE CAN BE PERFORMED AT THE SAME TIME.

HOW MUCH CAN THE CONSUMER SAVE UNDER A DECENTRALIZED PROGRAM? OR STATED ANOTHER WAY -- CAN WE ACCOMPLISH BETTER TESTING AT THE SAME OR LOWERCOST TO EVERYONE? THE ANSWER IS YES. CURRENTLY, THE \$9 FEE IS CHARGED FOR A TAILPIPE TEST. THER ARE NO OTHER TEST PARAMETERS. TO ACHIEVE HIGHER AIR QUALITY STANDARDS IT MAY BE NECESSARY IN THE FUTURE TO ADD OTHER ASPECTS TO THE TEST PROCEDURE. THESE MAY INCLUDE VISUAL INSPECTION OF THE CATALYTIC CONVERTOR, AIR PUMP, PLV VALVE AND OTHER RELATED EMISSION COMPONENTS. A DECENTRALIZED PROGRAM CAN ACCOMPLISH MORE AND BETTER TAMPER TESTING THAN OUR CURRENT PROGRAM. WE HAVE THE TRAINED PERSONNEL ALREADY WORKING THE SERVICE STATIONS. THEY HAVE BEEN THERE FOR YEARS AND WILL CONTINUE TO BE. I CHALLENGE ANY CENTRALIZED

CONTRACTOR TO DO THE SAME TESTING USING THE SAME TEST PARAMETERS FOR A LOWER COST THAN A DECENTRALIZED PROGRAM. THEY SIMPLY CANNOT COMPETE. WE KNOW IT, THEY KNOW IT AND THE CONSUMER CAN PROFIT BY IT BY GETTING MORE FOR THEIR FEE.

IT COSTS A CONSUMER ABOUT 21 CENTS A MILE TO OPERATE AN AUTOMOBILE TODAY. INSTEAD OF TRAVELING 24 MILES TO AND FROM A CENTRAL TEST FACILITY ( TWO 12 MILE ONE WAY TRIPS) ONE WOULD BE FACED WITH ONLY TRAVELING 2 OR 3 MILES TO A LOCAL SERVICE STATION AND HOME. THE SAVINGS IN REAL TERMS IS BETWEEN 3 AND 4 DOLLARS. SUBTRACT THIS AMOUNT FROM THE TEST FEE AND YOU HAVE A VERY REAL SUBSTANTIAL SAVING TO A CONSUMER UNDER A DECENTRALIZED PROGRAM. THIS SAVING CAN NEVER BE ACHIEVED WITH OUR CURRENT SYSTEM.

FINALLY, THE TESTING ITSELF PRESUPPOSES TAMPER PROOF EQUIPMENT. THAT IS TO SAY, NO MECHANIC OR INSPECTOR CAN ALTER, CHANGE, OR MODIFY AN EMISSION TEST ONCE THE TEST IS IN PROGRESS. THE TAMPER PROOF ASPECT OF THE TEST EQUIPMENT WILL NOT ALLOW ANYONE TO CHANGE IT. THE EQUIPMENT WILL SIMPLY CEASE TO FUNCTION. CURRENTLY WE HAVE A DECENTRALIZED VEHICLE SAFETY INSPECTION WHICH IS HIGHLY RESPECTED BY OTHER JURISDICTIONS AND VERY SUCCESSFUL. OTHER SERVICE STATION DEALERS LIKE MYSELF HAVE RAISED THE ISSUE. THE STATE GIVES US THE RESPONSIBILITY AND IN FACT LICENSES US TO MAKE SURE THAT MARYLAND VEHICLES ARE SAFE, WHY NOT ALLOW US TO TEST VEHICLES EMISSIONS SYSTEMS TO MAKE SURE OUR AIR IS CLEAN. WE CAN ACHIEVE A VIABLE DECENTRALIZED PROGRAM WHICH WILL BE MORE FLEXIBLE, MORE CONVENIENT AND LESS COSTLY THAN OUR CURRENT SYSTEM. THANK YOU.

# ESTIMATED COST TO REPAIR FACILITIES TO PARTICIPATE IN A DECENTRALIZED PROGRAM

Two types of decentralized programs have been proposed: garages perform all inspections or garages perform just retests. Costs to participate in either option divide into capital costs for emissions analyzers and operating costs for labor and expendable supplies. In the case of a retest program, capital costs will be allocated over a smaller test population base. We have assumed three participation scenarios:

Current CERF level:	461 garages
Intermediate case:	750 garages
Safety inspection station basis:	1000 garages

## Test Workload

Under a full inspection scenario, garages would test 800,000 vehicles per year in a biennial program. In contrast, 224,000 vehicles fail, and require a retest, in an annual program, or 112,000 vehicles in a biennial program. For the sake of simplicity, we assume three complete biennial cycles, or six years, over which garages can amortize their capital costs.

## Capital Costs

We can develop a market-weighted capital cost for emission analyzers based upon the existing market penetration of analyzer manufacturers. Presently, existing FIS/CERF combos and pure CERFs have the following distribution of BAR-84 analyzers required for a decentralized program

	Allen	Bear	Hamilton		Sun
			VEA-60	VTS-850	
FIS/CERF Combos	12	26	4	1	4
Pure CERF	4	39	0	1	0
Total	16	65	4	2	4
Market Percentage	(17.6%)	(71.4%)	(4.4%)	(2.2%)	(4.4%)

Each analyzer model has a different cost for a manufacturer's regular customer:

Allen 53-500	@ \$7,000
Bear 42-904	@ \$21,000
Hamilton VEA-650	@ \$ 7,300
Hamilton VTS-850	@ \$12,300
Sun 1041/1042	@ \$ 8,000

The market-weighted capital costs,  $CC_{mw}$ , is determined as:

$$CC_{mw} = (.176)(7,000) + (.714)(21,000) + (.004)(7,300) + (.022)(12,300) + (.044)(8,000) \\ = \$17,170$$

### Operating Costs

Operating costs consist of three components: labor costs, calibration gas costs and analyzer maintenance costs. The former cost is a variable cost, while the latter two costs are fixed costs that must be allocated over all tests performed.

According to Captain Richard Janney of the Maryland State Police Automotive Safety Enforcement Division, hourly mechanics' labor rates range from \$15 to \$52, with an average of \$25. For a full decentralized inspection mechanics will spend about 15 minutes per test inspecting a vehicle and filling out paperwork, or \$6.25 per test. Since CERFs already backload the cost of an emission test onto their repair work, they will need only half of that time to handle paperwork, or \$3.12 per test in a retest program.

For the weekly gas calibrations required of an inspection station, a CERF will buy four calibration gas bottles a year. Since CERFs already backload the cost of two gas bottles onto their repair work, incrementally they need to purchase an additional two bottles for retest capability. Calibration gas bottles cost about \$100 each, so a decentralized program adds \$400 in fixed costs and a retest program adds \$200 in fixed costs.

As above each analyzer model has a different annual service cost for a manufacturer's regular customer:

Allen 53-500	@ \$1,150/year
Bear 42-904	@ \$1,075/year
Hamilton VEA-650/VTS-850	@ \$ 785/year
Sum 1041/1042	@ \$1,000/year

The market-weighted service cost,  $SC_{mw}$ , is determined as

$$SC_{mw} = (.176)(1,150) + (.714)(1,075) + (.066)(785) + (.044)(1,000) \\ = \$1,066/\text{year}$$

### RECAPITULATION

The following table summarizes the cost for two VEIP programs involving service stations: a fully decentralized inspection program and a retest only program. Furthermore, the table presents three different service station participation scenarios. Fixed costs are allocated to the test fee depending upon how many tests each station participating in the program expects to test. Although individual fixed costs for calibration gas and the analyzer service contract are added directly to total fixed costs, the individual fixed cost for a BAR-84 analyzer is amortized, without debt service, over a six-year program life.

RECAPITULATION OF COSTS FOR FULLY DECENTRALIZED  
AND RETEST VEIP PROGRAMS BY  
SERVICE STATION PARTICIPATION RATE

*Bi-annual Program*

	Scenario 1: 461 Stations		Scenario 2: 750 Stations		Scenario 3: 1000 Stations	
	<u>DC<sup>(1)</sup></u>	<u>RT<sup>(2)</sup></u>	<u>DC<sup>(1)</sup></u>	<u>RT<sup>(2)</sup></u>	<u>DC<sup>(1)</sup></u>	<u>RT<sup>(2)</sup></u>
STATIONS WITH BAR-84 ANALYZERS						
Variable Costs						
Labor	\$6.25	\$3.12	\$6.25	\$3.12	\$6.25	\$3.12
Fixed Costs						
Calibration Gas	\$ 400	\$ 200	\$ 400	\$ 200	\$ 400	\$ 200
Tests per Station	1735 <i>3470</i>	243	1067	149	800	112
Allocated Fixed Costs	\$0.23	\$0.82	\$0.38	\$1.34	\$0.50	\$1.78
Test Fee	\$6.48	\$3.94	\$6.63	\$4.46	\$6.75	\$4.90
STATIONS WITHOUT BAR-84 ANALYZERS						
Variable Costs						
Labor	\$6.25	\$3.12	\$6.25	\$3.12	\$6.25	\$3.12
Fixed Costs						
Analyzers (amortized) (3)	\$2862 <i>1431</i>	\$2862	\$2862	\$2862	\$2862	\$2862
Service Contract	\$1066	\$1066	\$1066	\$1066	\$1066	\$1066
Calibration Gas	\$ 400 <i>200</i>	\$ 200	\$ 400	\$ 200	\$ 400	\$ 200
Total Fixed Costs	\$4328 <i>2697</i>	\$4128	\$4328	\$4128	\$4328	\$4128
Tests Per Station	1735	243	1067	149	800	112
Allocated Fixed Cost	\$2.49 <i>155</i>	\$16.99	\$4.06	\$27.70	\$5.41	\$36.86
Test Fee	\$8.74 <i>1.80</i>	\$20.11	\$10.31	\$30.82	\$11.66	\$39.98

- (1) full decentralized inspection program  
(2) retest program  
(3) assumes 6-year program life, 3 biennial cycles

Estimated test fees for a fully decentralized program range from \$6.48 for the lowest service station participation rate with BAR-84 analyzers to \$11.66 for the highest service station participation rate without BAR-84 analyzers. For the same two category extremes, estimated test fees for a retest only program range from \$3.12 to \$39.98. Retest fees are much more sensitive to the absence of a BAR-84 analyzer, because of the smaller test population over which to spread that cost. Presently, we know of 91 BAR-84 analyzers already in the VEIP as itemized above. As the service life of older emission analyzers expires, many garages will buy newer BAR-84 analyzers.

## **APPENDIX 5**

**Executive Summary from  
"Centralized vs. Decentralized Vehicle Emissions Inspection Programs -  
A Comprehensive Analysis for the Governor's Task Force on  
Vehicle Emissions Control"  
Systems Control Inc.**

## EXECUTIVE SUMMARY

This report describes in detail how the Maryland experience -- a Centralized Vehicle Emissions Inspection Program -- has been a success. From every measurable perspective, the Maryland Centralized program has been superior to a decentralized program in meeting the State's needs and objectives.

The parameters discussed include: contributions to improved air quality, testing integrity and uniformity, equipment reliability, program effectiveness, speed of testing, costs to the consumer and the State, data collection and analysis, protection from fraud and conflict of interest, State administrative needs, new local economic development impact, and consumer confidence and convenience.

The letter from W. Ray Cunningham (Director, Air Management Division, U.S. Environmental Protection Agency) transmitting the November, 1985 EPA audit of Maryland's VEIP program said in closing:

"... based on what we have observed, Maryland has a noteworthy vehicle emissions inspection program that the State can truly be proud of. Keep up the good work ..."



The executive summary of the same audit report said, in part,:

"For the most part, Maryland's I/M program was found to be operating very well and is capably managed. The integrity of the programs' operation on a day-to-day basis is very high and the enforcement process is excellent."

"Outstanding consumer outreach program ..."

"... audit revealed very few major operating problems ..."

"... the Motor Vehicle Administration, the Air Management Administration, and the I/M contractor should be commended for their efforts in administering a notable I/M program."

Systems Control (SC), operator of the Maryland I/M program, brings to this State a national reputation and experience nurtured and enhanced through years of active involvement in like and related programs in many other jurisdictions in this country. By working closely with officials of the State, SC has implemented and is operating an efficient and highly effective Vehicle Emissions Inspection program in Maryland that in many other quarters is viewed as a national model.

SC is directly involved in both centralized and decentralized I/M programs in many jurisdictions of this country, and is uniquely qualified to analyze and comment on the differences, advantages and disadvantages inherent in both systems. The summary/ highlights of our comparative analysis follows:

- ° Equipment in a centralized system is individually more costly, but is technologically more capable and reliable.

- ° Manual requirements for test results data collection in the decentralized system is more costly, less efficient and provides greater opportunities for error, lost information and vehicles escaping enforcement.
- ° Potential for test data analysis and reporting in a timely fashion with the centralized system is limited only by the program design and information needed.
- ° Administrative costs to the State and test costs to the motorist are significantly higher in a decentralized system.
- ° Revenues to the State under a decentralized program would be less than that realized by the current system.
- ° The centralized system is immune from fraud and conflict of interest because of the complete separation of testing from repairs.
- ° Standardization and uniformity of testing, equipment, operations, reporting -- virtually all aspects of the system -- is insured under a centralized system because there is only one program operator and currently 10 testing stations vs. the estimated 450 (plus or minus sites with a decentralized approach.
- ° Public opinion surveys in Maryland reflect a high degree of acceptance and confidence in the centralized system while surveys in states with decentralized programs revealed considerable dissatisfaction and mistrust.
- ° The centralized system makes a better contribution to improved air quality.
- ° The centralized program brought a new employer and new jobs to Maryland -- economic development impact.

The results of our analysis are compelling and clearly give us but one recommendation for this task force. We believe the preponderance of data from other sources will also support that recommendation. In short, SC recommends that "if it ain't broke, don't fix it."

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February 16, 1982

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841-3889  
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The Honorable V. Lanny Harchenhorn  
219 House Office Building  
Annapolis, Maryland 21401-1991

Dear Lanny:

I am writing in response to your letter of February 5, 1982 with respect to the State's contract with Systems Control, Inc. providing for the establishment and operation of an automobile exhaust emissions program.

You point out that Jud Garrett, when he was Governor Hughes' Chief Legislative Officer in 1979, was involved on behalf of the Governor's office in the Administration's efforts to secure passage of SB 751 authorizing and requiring the establishment of an automobile exhaust emissions program in Maryland pursuant to the requirements of federal law. That legislation, of course, was enacted, in amended form, as Chapter 421 of the Laws of 1979. As I am sure you know, while Chapter 421 provided for the establishment of an automobile exhaust emissions program, it did not specify except in certain limited respects the details of that program, nor did it require the State to contract out for the establishment of the program as opposed to doing the program "in house". After Mr. Garrett left State service two years later, he represented Systems Control, Inc., the successful bidder for the contract calling for the development of the automobile exhaust emissions program, in connection with the negotiation of the precise terms of that contract.

*Response To Senator George Della's comments  
at the October 14, 1987 meeting*

After directing my attention to Section 3-103(b) of Article 40A of the Maryland Code (the Public Ethics Law), you ask me to consider whether or not Mr. Garrett's representation of Systems Control, Inc. in 1981 violated the Public Ethics Law in light of his involvement in the 1979 legislation and, if so, whether any such violation would justify a voiding of the contract.

Section 3-103(b) of Article 40A provides as follows:

Former official or employee. -- A former official or employee, except a former member of the General Assembly, may not assist or represent another party other than the State for compensation in a case, contract, or other specific matter involving the State government if that matter is one in which he significantly participated as an official or employee.

To my knowledge, the only "matter" in which Mr. Garrett participated on behalf of Systems Control, Inc. was the negotiation of its contract following the award of the bid to that firm. While it is unquestionably true that Mr. Garrett played a role in the adoption of the "enabling" legislation two years earlier, and while there never would have been an automobile exhaust emissions program, let alone a contract between the State and Systems Control, Inc., without that earlier legislation, I believe that the "matter" of negotiating and drafting a contract in 1981 is not the same "matter" as the adoption of enabling legislation in 1979--even though the two are, in the sense I have just indicated, unquestionably related to one another. If the legislation had specifically required the State to provide for such a program through a private contractor, or if it had spelled out detailed specifications which might work to the advantage of Systems Control, Inc. as opposed to some other potential bidder, or if it had in any way put Systems Control, Inc. in a particularly favorable negotiating position vis-a-vis the State, then it might be reasonably argued that the two "matters" were so connected to one another as to constitute a single matter, thus precluding Mr. Garrett from subsequent involvement in the contract discussion two years later. But in this particular instance none of these factors is present. 1/

- 
1. Your letter alludes to a "ministerial duties" exception in the statute. That exception applies only to the prohibition of Section 3-103(a) and has no application to Section 3-103(b).

The Honorable V. Lanny Harchenhorn  
February 16, 1982  
Page 3.

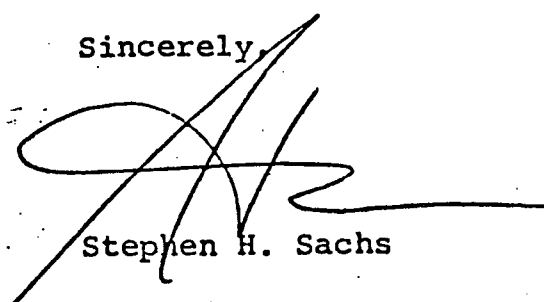
Having advised you of my own view that there is no violation here of Section 3-103(b), I should point out to you that the State Ethics Commission is singularly charged with the responsibility of interpreting and enforcing the Public Ethics Law. It is our standard practice whenever we are asked for our views with respect to the proper application of the Public Ethics Law to point out that the Ethics Commission has the final say in all such matters. Thus, if you continue to believe that Jud Garrett violated Section 3-103(b) or any other provisions of the Public Ethics Law, you are of course free to ask the Ethics Commission to look into the matter. In that regard, you should note that in the event the Ethics Commission determines that a violation has occurred, it can seek judicial relief, under Section 7-101, which may include a request that the court "void an official action taken by an official or employee with a conflict of interest prohibited by this Article when the action arose from or concerned the subject matter of the conflict and if the legal action was brought [by the Commission] within 90 days of the occurrence of the official action . . .". The court may grant such a request if it determines the voiding of the action "to be in the best interest of the public". I should point out to you, however, that this remedial provision would not seem applicable to the present situation, even if the Commission found that a violation of Section 3-103(b) had taken place. This is so because Mr. Garrett took no action while an official or employee which, if voided, would result in setting aside the contract. Moreover, Section 7-101 contains what in essence is a 90-day limitations period.

Finally, I feel compelled to comment on your characterization of the Systems Control contract as a "very one-sided and unfair" one. While I am fully aware that there have been criticisms of this contract from a number of legislators, and while I know that four of our lawyers met with the Senate leadership late last month to discuss the terms of the contract and respond to those criticisms, I cannot agree with your characterization of the contract as unfair and very one-sided. Like any contract, it was negotiated between two parties, and inevitably reflects the give and take of contract negotiation. Not every provision in it is to the liking of the State, nor is every provision in it completely satisfactory to the private contractor. But I believe on balance the contract is a reasonable one given all of the circumstances surrounding its negotiations. That is not to say that it is perfect or that all of its provisions in each and every instance reflect precisely what the State would have liked.

The Honorable V. Lanny Harchenhorn  
February 16, 1982  
Page 4.

I know that the legislative criticism of the contract has generally focused on the "termination for convenience" section and that in the event of such a termination (with no fault on the part of the contractor), the contractor is entitled to recover its costs plus 12%. If you have any particular questions about or problems with those provisions, or any other aspect of the contract, I would encourage you to talk directly to Bob Harrison, Counsel to the Department of Transportation, who is familiar with the contract and the circumstances leading up to its execution. Bob and the Assistant Attorneys General working with him on this matter devoted in excess of 100 hours to the negotiation, preparation and review of this contract. They are familiar with it in detail and would be more than happy to explain any aspect of it to you.

Sincerely,

A handwritten signature in black ink, appearing to be 'SHS', written over a horizontal line.

Stephen H. Sachs

SHS:sw

cc: Robert B. Harrison, III, Esquire

**APPENDIX 6**

**Summary from  
"Centralization vs. Decentralization"  
Allen Test Products, Ltd.**

## CENTRALIZATION OR DECENTRALIZATION

In the beginning of most state emission programs, a centralized program run by a private company is advantageous. It's less expensive and easier for the state to begin testing vehicles. In addition, it gave Maryland the time to setup and control the Certified Emission Repair Facilities Program which is operated by 451 independent garages and service stations. The garages have their current emission analyzer audited by state officials to insure calibration between the state lanes and garage officials.

As most states have found out, the advantages of Centralization diminishes as time goes on. The issue of convenience becomes a problem in states where the vehicle population is high, like in Maryland. The states of California and New Jersey are two examples of states that began with centralization but later went to the decentralized system. Not only was it more convenient for the consumer, but it was cheaper!

The advantages to Maryland going decentralized at the present time couldn't be better.

### Decentralization is:

#### 1) More Convenient for the public

- a) Average travel distance currently is 12 miles  
(13 divided by square miles)
- b) Average travel for decentralized program is 4.8  
miles (475 stations divided by sq. miles)

#### 2) Cheaper for the public

- a) An average trip to SCI's lanes cost \$5.16
- b) An average trip to decentralized lane cost \$2.06  
A SAVINGS of \$3.10

#### 3) It can increase emission reduction for Maryland

It allow's Maryland to perform a 6 point tamper check. The centralized lanes would never have time to check these emission related parts because it would choke up their lanes twice as much as they are already. Allowing service stations to do the 6 point tamper check along with the emission test would result in a reduction of 2 tons per day of Hydrocarbons!

#### 4) Better for Maryland Business

Over 500 Maryland businesses could share the 15 million in revenue.



5) Easier to expand or contract the program

- a) Stations are already there
- b) Easy to add more stations

In conclusion, over 400 locations doing emission testing is the best way to make Maryland's system a winner for everyone.



October 14, 1987

Dr. J. Hugh Ellis, PhD.  
The John's Hopkins University  
Principal Staff  
Baltimore, Md 21218

Dear Dr. Ellis:

I want to thank you for allowing me to speak at your meeting. I would greatly appreciate it if you could let everyone on the committee read my letter. There are two important points I believe the E.P.A. purposely confused your committee on.

First, the decentralized program in Virginia is not failing enough cars to satisfy the E.P.A.. This is a true statement, but what she didn't make clear is that Virginia is using old technology (Bar 74 analyzers) not the new Bar 84 emissions analyzers. The state of Virginia is fixing their problem by recommending to the Governor to require the Service Station dealers to switch to Bar 84. You can call Beth Lester in Virginia at 804-786-7564 to verify their current position with the E.P.A..

Second, Centralized Program failure rates are better than decentralized programs. This is also true, but what they didn't tell you is that some of the original decentralized programs are still using Bar 74 equipment and that is why their failure rate is low. If we look at a comparison of the Bar 84 decentralized states vs the centralized programs (see attached), you will find the Bar 84 decentralized states fail 5.83% more than the centralized programs.

Please call the decentralized program administrators and verify these numbers. In addition, if you really look into it, the people do benefit in a decentralized program. If the E.P.A. will let us do it, why not make it cheaper and more convenient for the public. They are paying for this.

Sincerely,

Christopher L. Frederick  
President

P.O. BOX 190 • JESSUP, MARYLAND 20794  
BALTIMORE 799-7455 • WASHINGTON 621-5409

# FAILURE RATES

## CENTRALIZED CONTRACTOR OPERATED

Connecticut  
Hamilton Test 12%

Maryland  
SCI 14%

Illinois  
SCI 14%

Kentucky  
Gordon Darby 14%

Wisconsin  
Hamilton Test 15%

Arizona  
Hamilton Test 20%

## CENTRALIZED AVERAGE

Failure Rate 14.83%

## DECENTRALIZED BAR 84

Massachusetts  
Licensed Garages 14%

Pennsylvania  
Licensed Garages 14%

Michigan  
Licensed Garages 15%

Alaska  
Licensed Garages 20%

Colorado  
Licensed Garages 29%

California  
Licensed Garages 32%

## DECENTRALIZED AVERAGE

Failure Rate 20.66%

**APPENDIX 7**

**Testimony of Mr. Neal D. Borden  
Jiffy Lube Inc.**

Jiffy Lube International, Inc. ("JLI") strongly supports the operation of a centralized Vehicle Emissions Inspection Program in the State of Maryland, provided that such a centralized program can be operated conveniently, courteously and efficiently for the citizens of our State. JLI supports a centralized emissions inspection program for the following reasons:

- The existing centralized emissions inspection program has worked relatively well during the last several years. The problems encountered at the beginning of the program have been resolved, for the most part, and the program generally appears to be running well.
- The existing program has been praised by the U.S. Environmental Protection Agency. In July, 1986, the Director of the Air Management Division of the EPA stated that, "Maryland has a noteworthy Vehicle Emissions Inspection Program that the State can truly be proud of."
- The continuation of a centralized emissions inspection program will not require any reorganization or restructuring of the existing program, which would appear to raise serious issues in a number of areas, particularly as to administration, auditing and public education.
- The public is now familiar with the centralized emissions inspection program, and the citizens understand the way it works and how to deal with it.

The major objection to the continuation of a centralized Vehicle Emissions Inspection Program is the inconvenience to the citizens of Maryland. There are at present only 10 emissions inspection facilities in our State. Many members of the public are often burdened by the need to drive some distance to one of these inspection facilities, and upon arriving there, by having

to wait an extended period of time for the emissions inspection to be completed.

This problem is compounded for those citizens whose vehicles fail the initial test. (Approximately 12% of the vehicles tested each year must be retested.) They must face for a second time the need to travel to one of the existing facilities and possibly wait for a second inspection, after having the required repair work done on their vehicle.

The alternative that has been suggested most frequently is to establish a totally decentralized system, under which service stations, garages and automobile dealers would be licensed to conduct emissions inspections. This would make substantially more inspection locations available to the public. (It must be noted that it is not clear exactly how many of the potential licensees would in fact be willing to invest in the equipment and training required to perform the inspection procedures.) This approach would also significantly increase the risk of consumer complaints and questions, we believe, as compared to a centralized system.

Jiffy Lube believes that the best solution to this problem - - inconvenience to the public -- is to provide a centralized system with multiple locations at which the citizens of Maryland can have an emissions inspection performed quickly, conveniently and impartially. JLI further believes that the convenience to the citizenry would be substantially improved by changing the current program to a biennial inspection.

A centralized system with more inspection locations is a better alternative than a totally decentralized system. A totally decentralized system poses some very serious issues, as noted above. The most significant are the following:

- A thorough re-education program would be required, to inform and educate the public on the process by which inspections would be completed. This will take organization, time and money.
- A large number of new personnel would have to be trained to operate the emissions inspection equipment and to perform the required procedures. The State would have to oversee a training program for the employees of many service station and garage operators, and also car dealers, and arrange for testing and compliance.
- The emissions testing equipment would require regular auditing, which in turn would result in the need to hire and train a substantial force of field auditing and inspection personnel.
- The Motor Vehicle Administration would have to totally revamp its current administration of the existing centralized program, with the potential of substantial disruption and expense.

In a centralized system with multiple locations, as many as 40 to 50, the public and the State could enjoy all of the benefits of centralized administration, auditing, training and evaluation, while at the same time avoid the burdensome travel and delay problems of the current program. The multiple inspection locations should be run by impartial operators who do not perform any motor vehicle repair work related to emissions systems, to reduce the risk of consumer complaints and questions.

A biennial emissions inspection program including an anti-tampering inspection would not only provide less inconvenience for the citizens of Maryland, but also, it would appear to be

more effective at improving the air quality of our State. Obviously, with a biennial program, each automobile owner would take his or her vehicle for an emissions inspection only once every other year. This should immediately reduce the objections to the inconvenience of the inspection program.

Such a biennial inspection program should also include an anti-tampering inspection. This would be a major enhancement of the existing program, because the available data as presented by the EPA indicates that as many as 17% of the cars subject to inspection have had their emissions systems tampered with or have been misfueled. An anti-tampering inspection should include a visual inspection of the exhaust system/catalytic converter, even though this would require access to the underside of vehicles.

Jiffy Lube International expects to bid on the operation of a centralized system, if that opportunity becomes available. While JLI has no assurance that its bid will be successful, we nonetheless feel that it is important that your Committee and the State of Maryland know that there is an alternative to the two apparent extremes -- a centralized system with only 10 inspection stations, or a totally decentralized system.

JLI is an international corporation with its headquarters in Baltimore. Our Maryland franchisees operate 39 quick lubrication centers in the State of Maryland. In addition, 5 centers are under construction and 14 more are under development in the State, for completion by December 31, 1988. These centers are identified on the list attached as Appendix I. Thus, by



January 1, 1989, Jiffy Lube franchisees will be operating at least 58 quick lubrication centers within our State, the majority of which will be in the testing area for the emissions inspection program.

Attached as Appendix II are 4 maps showing the locations of our franchised centers, as follows:

Map No. 1	--	State of Maryland
Map No. 2	--	Baltimore Area
Map No. 3	--	Washington Area
Map No. 4	--	Baltimore/Washington Corridor

Each Jiffy Lube service center performs fluid maintenance services courteously, conveniently and quickly in a clean and pleasant environment. Jiffy Lube franchisees do not perform any mechanical repairs for their customers. Each Jiffy Lube service center operates with either 2 or 3 service bays, and virtually all of them can service a minimum of 4 vehicles at a time. Each service center is constructed so as to permit complete access to the underside of each customer's car. Thus, a Jiffy Lube service center is well adapted to permit quick and easy visual inspection of exhaust systems. This is a major consideration if an anti-tampering inspection is to include as one of its parameters a visual inspection of the catalytic converter.

The Jiffy Lube service centers to be open and operating by December 31, 1988 are located in 25 of the 39 legislative districts within the testing area for the emissions inspection program. They are all sited at particularly convenient locations, on readily accessible major roads. Each is open 6 days a week, beginning no later than 8:00 a.m.

We have discussed this program with a number of our franchisees in the Baltimore and Washington metropolitan areas, and they all enthusiastically endorse and support our present efforts. If JLI is successful in obtaining the contract for the Vehicle Emissions Inspection Program, they are eager to participate. If the convenience of the citizens so required, the franchisees could extend the Jiffy Lube service center hours either in the morning or in the evening, to provide a greater accommodation for the public.

In summary, Jiffy Lube International, Inc. supports the improvement of the air quality of our State through the adoption of a biennial Vehicle Emissions Inspection Program, including an anti-tampering inspection, conducted in a manner which provides the greatest convenience for the citizens of the State, while at the same time maintaining an effective and workable inspection program. For the reasons we have outlined above, we believe a centralized system with additional locations is clearly the best method to achieve this result.

PW/VEIP

APPENDIX 8

Letter of  
Mr. Ernie Honig Kent  
Maryland Chamber of Commerce

**THE MARYLAND  
CHAMBER  
OF COMMERCE**



60 West Street, Annapolis, Maryland 21401-2492

Annapolis/Baltimore Area: 301/269-0642  
Washington Area: 301/261-2858

September 23, 1987

Richard O. Berndt, Esq.  
Chairman, Governor's Special Committee on the  
Vehicle Emissions Inspection Program  
c/o Gallagher, Eveilus & Jones  
218 N. Charles Street  
Baltimore, Maryland 21201

Dear Rick:

I will be out of town on September 29th and therefore unable to testify before your committee.

The Maryland Chamber of Commerce has a history of strong support for VEIP as a part of an overall State strategy to meet national ambient air quality standards as established by the EPA.

We fully support the extension of the program. If this is not done, stationary sources, in other words, industrial sources would have to bear the entire burden of meeting the EPA standards. This not only would be very costly to industry, but could lead to an actual prohibition of construction of new industries, or the expansion of existing industries.

The present inspection program has proven effective in reducing pollutants and we totally support its continuation.

Please let me know if I can provide you with any further information.

Sincerely,

A handwritten signature in cursive script that reads "Ernie".

Ernie Honig Kent  
Vice President  
Governmental Affairs

EHK/mv



