ALL OFFICIAL INSPECTION STATIONS QUALITY ASSURANCE OFFICERS AND PENNSYLVANIA STATE POLICE

Bulletin EB04-1 January 2004 Station #

SUBJECT: EMISSION INSPECTION PROGRAM INFORMATION

As you are aware, on December 1, 2003, PennDOT began implementing an emissions inspection program in Cumberland and Dauphin counties. Between January and March of 2004, the counties of Berks, Blair, Cambria, Centre, Erie, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mercer, Northampton and York will also be phased into an emissions inspection program. Additionally, between January and June of 2004, the Pittsburgh and Philadelphia regions will transition to an OBD testing program for most 1996 and newer vehicles. For the most part, the implementation and preparation of the program in these areas has been very successful.

During this implementation, one of the issues that has attracted the most attention from the general public has been "what should the test cost?" While PennDOT is not in a position to recommend a fee structure for this market driven program, we are able to provide you with data to help you in determining a fair inspection fee for your customers while affording you the opportunity to recoup your investment.

OBD/Visual/Gas Cap Program Information

- OBD/Visual/Gas Cap Testing equipment prices range from \$5,000 to \$8,000.
- It is estimated that approximately 50 percent of existing safety inspection stations, in required emissions counties, will participate in the emissions inspection program.
- The Program Management Fee paid to PennDOT's program management contractor is \$4.15 for each initial test performed. No fee is assessed for a vehicle being retested at the same station as long as the retest is performed within 30 days of the initial fail. The phone number called to access the Vehicle Inspection Information Data Base (VIID) is a toll free number and there is no per call charge.
- The cost of training for inspectors that perform the OBD/Gas Cap test is approximately \$200. The cost of the web-based training is approximately \$50 for those inspectors that perform the Visual/Gas Cap test only.
- Emission inspection stickers are provided free of charge by PennDOT.

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Assumptions

- Technician salary and benefits \$46,000 (2,080 hours (40 hour work week for 52 weeks) = an hourly technician rate of \$22.12).
- Each OBD/Visual/Gas Cap test takes approximately 12 minutes and as little as 7.5 minutes.
- \$8,000 capital investment (does not include any finance charges).
- Based upon Safety Inspection records, the average inspection station performs approximately 600 inspections per year (this represents 1,800 tests over a 3-year period).
- The average cost of a dedicated phone line for use with the emissions analyzer to transmit test results to the Vehicle Inspection Information Database (VIID) is \$26 per month. Additionally, there is a one-time installation fee of approximately \$200.

Sample Analysis

Technician Salary

The labor cost for performing an emissions inspection would be at a rate of \$4.42 for a 12 minute test (\$22.12 hourly technician rate).

Equipment Investment

Capital Investment of \$8,000 (Using highest price for equipment) divided by 1800 inspections over 3-years = a per test charge of \$4.45.

Program Management Fee (PMF)

\$4.15 per test

Training

\$200 for technician training (\$200 divided by 1800 inspections = a per test charge of \$0.11).

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Dedicated Phone Line

\$200 installation fee and an approximate cost of \$26 per month for service multiplied by 36 months = \$1,136 (the \$1,136 divided by 1800 inspections = a per test charge of \$0.63).

Estimated Per Test Cost

Labor	\$ 4.42
Equipment	\$ 4.45
PMF	\$ 4.15
Training	\$ 0.11
Dedicated Phone Line	\$ 0.63
Total	\$13.76

This figure does not include: the cost of repairs made to failing vehicles, the cost of inspectors recertifying every two years, any maintenance agreement you may have purchased (beyond the equipment manufacturers' warranty) since maintenance agreements are not required by PennDOT regulations or finance charges for equipment.

This information is provided to you as a guide. Differences in operational expenses and the volume of inspections will impact the "break even" test fee amount above. When setting your inspection fees, please use good judgment so that you can provide this valuable service to your customers at a fair price while maintaining your right to earn a profit. Charging your customers fairly for the emissions inspection will help ensure the continued "market driven" fee structure for the duration of the program.

Kurt J. Myers, Director Bureau of Motor Vehicles