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HON. DANIEL BENSON--CHAIR

TESTIMONY

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Testimony of Eric Blomgren

Chairman Benson, members of the Committee, my name is Eric Blomgren, Associate Director of Government Affairs for the New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA). We represent about one thousand independent small business owners across the state, many of which operate auto repair shops.

I thank you for the unexpected opportunity to testify this morning. The topic I would like to give you a brief overview of is Motor Vehicle Safety Inspections.

There are a wide variety of state laws on the books which require all motorists to keep their motor vehicles in safe working order. These include everything from fundamental requirements, like ensuring that brakes and tires are in working order, to mandates that the headlights and blinkers function, to public safety requirements like preventing overly tinted windows (a danger to police officers at traffic stops). Starting in 1938, the State required motorists bring their vehicles into approved inspection stations in order to ensure that these maintenance requirements were being properly upheld.

In 2010, however, state law was changed so that motorists would no longer need to ever have their vehicles inspected for safety compliance. Inspections were performed every other year (after the vehicle was four years old). Because of federal law, they would still be required to have the vehicle inspected to meet its emissions requirements. The reason given was that it would save the State about \$12 million per year, at a time of severe budget crisis.

Since then our members have reported a noticeable drop in safety compliance on their customers' vehicles. Inspections, and the stickers that accompanied them, were a powerful and effective incentive. Whenever a mechanic would discover that a customers' vehicle was not in compliance with the State's existing safety-related laws, they needed only to point out that the customers would fail their next inspection if they didn't have the repair made. Most customers would respond by having their safety issue fixed soon after. Those that did not would eventually be caught up in their next inspection and have to come back to have the repair made. Either way, the vehicle was brought back into compliance with the law and made road-safe.

All of the requirements that were checked for in a safety inspection are still the law. In the years since, our safety laws have only gotten stronger. For example, in 2014 the law was changed to require that all brake lights on a vehicle be in working order, not just the two tail lights.

The purpose of tying all the different safety requirements to the sticker was to make it easy for law enforcement officers to enforce the safety laws at a glance. Officers knew exactly where to look,

they did not need to perform an ad hoc safety inspection at every stop. While some safety malfunctions can be spotted at a glance, others like a faulty horn or brake issues cannot.

Our neighbors in Pennsylvania and New York both continue to require that all passenger vehicles undergo regular safety inspections. In 2009 the state of Pennsylvania ordered an official study be conducted on the effectiveness and necessity of their safety inspection program. It found that the program was effective and prevented a large number of fatal crashes per year, and that the biggest impact it had was on vehicles older than three years. The Executive Summary of this study is attached. The State also maintained the requirement that commercial vehicles not only undergo safety inspections but do so every single year. It should be noted, however, that vehicles used for ride-sharing (Uber/Lyft) do not undergo safety inspections at all.

It is also worth noting that the promised savings never appeared. MVC budgeted a savings for the State of \$11.5 million in FY 2011 based on the idea that they would no longer need to pay Parsons (the company the State contracted with to perform inspections at the central facilities) the \$3.24 that Parsons had delineated as the cost of a safety inspection in their winning bid. This would have lowered the cost to the State of an inspection from \$21.60 to \$18.36.

In November 2012 State Auditor Stephen Eells filed a report detailing that the State had not seen anything close to the savings it was supposed to gain. While the elimination of safety inspections went into effect on July 1, 2010, the State did not negotiate changes to the contract until March 2011, three-quarters of the way through the fiscal year. The Auditor's report reads:

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“The basis of the negotiations was not made available to the auditors by the Division of Purchase and Property in the Department of the Treasury. The amendments included a reduction in the inspection rate by \$0.67 to \$20.93 ‘in light of the changes in law’, and a permission for Parsons to close three facilities and reduce their operating hours. However, no change to the rate was made due to the elimination of the safety inspection. Subsequent to the changes in the law and the contract, we noted that Parsons had an average monthly reduction in their lane technician staffing by 121 positions, or 26 percent.”

Not only did the elimination of safety inspections lower road safety and hurt small businesses, it did not even produce the savings it was promised. The only beneficiary was Parsons, which no doubt profited handsomely from the reduction in labor costs, especially since the safety inspection was the most labor-intensive aspect of a motor vehicle inspection.

Today, more than 5 years after this report was published, the State still pays more per inspection than the \$18.36 rate it should have. The State would have saved well over \$40 million in total over the more than seven years since safety inspections were eliminated, (or \$30 million in the time

since the Auditor's report) if it had just been able to make the adjustments it was owed. Instead that taxpayer money lined the pockets of the Parsons corporation.

Too many motorists are unaware that even though their cars are no longer formally inspected, they are legally bound to keep it in safe condition. NJGCA has tried to do its part. After the elimination of safety inspections, we printed up pamphlets for our members to give to their customers informing them of their obligations under the law. I have attached a photocopy to this testimony.

While no one wants to increase the burden (either in money or time) on anyone, we must remember that operating a motor vehicle is a deathly serious business. It's a 4,000-pound piece of metal that can travel all over at high speeds. If a motorist can afford the far higher costs of insurance, tolls, and motor fuel, then it seems fair to ask them to take a little time out once every other year to ensure that the roads are safe for all of us.

If laws are not enforced, then they are not worth the paper they are printed on. I appreciate the opportunity to discuss this issue with the Committee, and NJGCA believes it would be wise for the Committee, in the coming legislative session, to give some thought to the prospect of bringing back safety inspections for passenger motor vehicles in some form.

Thank you.

