

Report Highlights

An Examination of Costs and Test Prices in the “Drive Clean Pennsylvania” Emissions Inspection Program

Background: As a result of a 2003 court agreement, Pennsylvania has implemented an enhanced and expanded motor vehicle emissions inspection program. House Resolution 577 of 2004 directed the LB&FC to study the actual costs incurred by emissions inspection stations in conducting this program and other issues related to equipment costs and testing fees.

- 1. Regional Inspection Requirements.** A total of 25 counties are now subject to some form of annual emissions inspection. A 2003 court agreement extended the state’s testing program beyond the Philadelphia and Pittsburgh Regions to an additional 16 counties in the Northern and South Central Regions. In the remaining 42 counties, vehicles receive a visual anti-tampering check of the emissions system as part of the annual safety inspection.
- 2. Types of Emissions Inspections.** The expanded testing program relies heavily on the “on board diagnostic” (OBD) computer systems installed on most 1996 and newer vehicles to ensure that emissions components are working as required. Other types of tests included in the program include a gas cap test, tailpipe test, tailpipe test using a dynamometer and the visual anti-tampering check. The applicability of these tests varies by region and the age of the vehicle.
- 3. Average Prices of Emissions Inspections.** The average price for an OBD test as of June 17, 2004,* ranged from \$37 to \$49, as follows: \$37.06 in the Pittsburgh Region; \$40.40 in the South Central Region; and \$49.05 in the Philadelphia Region. Fees for OBD tests in the South Central Region have moderated slightly since December 2003 when the average price was \$41.23. OBD testing was phased in later in the Pittsburgh and Philadelphia regions; average prices in those regions appear to have increased since spring 2004. In the Northern Region, where stations perform only Visual/Gas Cap Tests, the average fee was \$32.48.
- 4. Costs to Conduct Testing.** The actual costs incurred to conduct emissions testing can vary considerably from station to station because of variations in the shop labor rate (which typically includes overhead costs and profit), equipment acquisition and maintenance costs, technician training expenses, dedicated phone line costs, the program management fee, and related tools and supplies.
- 5. Actual Test Fees Vs. Original PENNDOT Estimate.** The initial \$13.76 “break-even” test fee communicated to station operators by PENNDOT did not consider all of the factors listed above and underestimated the required testing time. When all of these factors are considered it is not difficult to arrive at a fee of approximately \$35 for an OBD test. Actual costs, however, vary by station and other factors such as the type, size, and geographic location of the business must also be considered. In the final analysis, a station’s test fees are also significantly influenced by market forces and competition within its regional and local markets.
- 6. Other Matters.** The report also includes information on the costs of inspection equipment, inspection exemptions and waivers, PENNDOT’s “Drive Clean Pennsylvania” website, a technical testing problem referred to as “drive cycle,” and the results of the Attorney General’s investigation of alleged collusion in setting test fees.

*Prior to publication, pricing data as of September 13, 2004, was added to the report. Average prices were relatively unchanged.