BUREAU OF AUTOMOTIVE REPAIR

Advisory Group Meeting

April 11, 2005

MEETING MINUTES

♦ Advisory Group Members in Attendance:

Lou Anapolsky	Grace Bergen (for B. Mass)	Jim Custeau
Dennis DeCota	Paul Frech	Jennette Gayer
Jim Gordon	George Hritz	Marty Keller
Shelly Levy (for J. Zins)	Jack Molodanof	Rosemary Shahan
Randy Ward		

♦ BAR Staff in Attendance:

Richard Ross	James Goldstene	Mike Vanderlaan
Allen Wood	Jim Allen	Joe Pedrosa
Judy Cabral	Rich Mundy	Sue Rosenblatt
Tracy Matsui	Debbie Romani	Dick Sullivan

♦ Welcoming Remarks:

Chief Ross called the meeting to order at 9:44 a.m. and reviewed the agenda and minutes from the January 10, 2005 meeting.

Chief Ross introduced Greg Broadski, one of the Enforcement Monitor consultants who came to observe the meeting and to meet with interested parties after the meeting.

♦ Chief's General Update:

Chief Ross announced an Air Resources Board meeting in El Monte on April 28, 2005 regarding new O-zone standards.

Chief Ross announced that BAR and ARB are developing a fact sheet explaining the history of the Test-Only program implementation.

Chief Ross explained the Enforcement Monitor's role and clarified that the Monitor operates under the review of the department Director. He also announced that the Monitor will be conducting meetings and round tables with shop owners and other interested parties.

In response to audience and member questions, the Chief agreed to:

- Have Engineering determine if some counties have a higher than 36% Test-Only referral rate, and if the Test Only directed vehicles percentages are based on "county" or per "ZIP code."

- Have Engineering ensure that the Smog Check Executive Summary is posted and accessible on the Website.
- Have Enforcement check the status of centralized complaints.
- Determine if internal documents on pending legislation can be made public.
- Have Engineering provide an update on possible changes to the Smog Check program in the future.

♦ Agenda Item: Breathe Easier Campaign Update

The Campaign got underway Fall 2004. Main connection of campaign is between smog and "health issues". The Governor held a televised car crushing media event on March 16th, and there have been several public service announcements. Brochures have been printed up, so if group members want copies of the brochures, they can contact DCA's Communication and Education Division.

One Advisory Group member asked BAR if anyone was familiar with Hill and Knowlton public relations firm. He believes there may still be dollars available for advertising on that contract.

♦ Agenda Item: Ombudsman Update

Ombudsman Rick Fong is out today, so Mr. Goldstene gave the update. The Ombudsman had fewer than 60 phone calls; none of them were complaints. Some calls were about Test and Repair stations and CAP issues; no trend observed. In March, Mr. Fong noticed a significant drop-off of calls, however didn't know why. The Chief said the Ombudsman's position is simply another avenue for industry to take, if hesitant to go to BAR with issues. Chief doesn't know if CIC refers consumers to the Ombudsman, however Ombudsman is listed on BAR's Website.

♦ Break: 10:45 A.M. to 11:10 A.M.

♦ Agenda Item: Advisory Notice Update

Pilot Program Report (draft form) is going through the review process. The report should be ready for the BAR Advisory Group and public release by the next meeting.

Basic data through November of 2004:	9,164	complaints closed
	3,196	with violations (36%)
	2,901	preferred **verbal** notice (91%)
	295	preferred **written** notice
Survey cards:	362	returned cards (11%)
	245	preferred **verbal** (68%)
	94	preferred **written** (26%)

It is too early to note the repeat violations – it can take up to two years. Some low-grade violations are failure to get signature and failure to get odometer reading.

The question was raised, when someone opts for centralized complaints, does the Advisory Notice become public information? Mr. Mundy stated that details regarding this issue must be worked out if the centralized complaint program is used as part of the solution.

Mr. Mundy will check on status of centralized complaints for Lou Anapolsky.

Some Advisory Group members think that the shops that chose a "verbal notice" rather than the "written notice" believed that nothing was being written in their file, when actually a notation was made in their record. This is a sample of the way the notation reads: "The repair facility has been given a verbal warning regarding a failure to provide a written estimate…" This complaint file is kept for 3 years, then purged.

Mr. Mundy said that pending implementation recommendations included in the final report, BAR has gone back to "verbal notification."

It was asked if a separate meeting should be scheduled for the Advisory Notice when the report comes out, and the Chief said "yes, that is a good idea."

- **Adjourned for Lunch – 12:30 – 1:30 p.m. Reconvened at 1:35 PM.**

- **Agenda Item: Legislative Update**

AB 383 - Would make the repair assistance program available to low income individuals whose maximum income level is 225% of the federal poverty level and to individuals whose maximum income level is 250% of the federal poverty level and whose vehicle was Test-Only directed.

AB 386 - Would require the State Air Resources Board, in consultation with the Department of Consumer Affairs, to develop, and revise as necessary, the program goals, program design and program funding to implement the Smog Check program. The department, in consultation with the State board, would be required to implement and enforce the program designed by the State board. The duties of the department would be vested in the Chief of the Bureau of Automotive Repair. Would make other conforming changes.

AB 566 - Would create the Education Account within the VIRF and would authorize the director to deposit revenues in the account for expenditure to provide training to automotive technicians and for other education in the field of automotive technology.

AB 578 - Would permit, rather than require, the department to increase the number of vehicles directed to Test-Only stations for biennial Smog Check inspection, after completing an open and public review and consideration of the impacts of sending vehicles to Test-Only stations, including, but not limited to, consumer costs, additional wait times, additional testing fees, impacts on small businesses, relative environmental benefits, if any.

AB 898 - Would require the department, with respect to the qualifications test for Test-Only technicians to: (1) review the qualification tests imposed on Test-Only technicians in enhanced program areas in other states and make the testing requirements imposed in this state as consistent as possible with those in other states, to (2) establish prerequisite training for Test-Only technicians and permit an individual who completes 40 hours of that training to take a qualification examination, and (3) revise the qualification requirements to permit applicants to become Smog Check technicians at Test-Only stations by completing the prerequisite training and passing the Smog Check qualification examination that would be required to be as consistent as possible with those in other states and appropriate for a Test-Only technician.

Regarding legislation, two questions were raised:

(1) Does BAR give recommendations on bills?" **Answer:** BAR provides factual information regarding its programs.

(2) Is a pending legislative document from BAR to DCA a public record? **Answer:** DCA's recommendations/correspondence to the Governor's Office on pending legislation is exempt from disclosure under Government Code § 6254(l).

♦ Agenda Item: BAR Communication through Industry Newsletters

The BAR Chief is proposing to send information to various industry associations for them to publish in their own organization's newsletters. As a result, the Chief would like the various associations to provide their publication contact names and addresses to BAR.

The audience asked where the BAR Smog Check Advisory and Repair Reporter have gone – it seems to have been awhile since they've seen them. The Chief will look into it.

The amount consumers receive for retiring their vehicle has gone up, from $500 to $1,000. The question was raised, would it be better to raise the repair assistance dollar amount, to enable saving a few more cars, rather than having them crushed? **Answer:** According to ARB, 10% of the oldest cars on the road cause 50% of the pollution. DCA and the State's Breathe Easier campaign are championing the accelerated retirement of as many high polluting cars as possible. Therefore, encouraging the repair of failing vehicles by increasing the $500 repair limit is not in line with the State's air quality goals. In fact, the overall average repair cost is $125-$150 and the average CAP repair cost is $320-$350.

♦ Agenda Item: Vehicle Retirement Update (CAP)

On March 15, 2005, the Governor announced the dollar amount for retiring a vehicle has gone up to $1,000. In March, BAR's monthly Website hits went from 10-15,000 to 30,000. The question was asked: Can a consumer start the repair process on a vehicle, and when the vehicle can't pass smog, switch to the vehicle retirement program, and still receive $1,000? **Answer**: Based on preliminary projections through the end of the fiscal year, less than 1.5% of all the repair assistance transactions with paid expenses will result in the vehicle also being retired. The repair expenses in these transactions are less than one percent of the total repair assistance budget (approximately $100,000).

However, the projected number of vehicles retired with a previous repair assistance transaction is estimated to be approximately 12% of the estimated number of vehicles retired, this fiscal year. Of the total estimated number of vehicles that will receive a repair transaction before the vehicle is retired about half of the transactions appears to be a diagnosis costing less than $150 on average. This may be an indicator that stations are effectively identifying vehicles that can't be repaired. One could suggest that even with a diagnosis cost, non-repairable vehicles being retired is more cost-effective than a nondurable repair that still pollutes. The other half of the repair transactions are estimated to be a repair costing on average less than $225 (one hundred dollars less than the statewide average repair assistance cost). It is this latter group that requires a closer examination.

Recommendation: CAP will study this issue through the end of the fiscal year and conduct a more thorough review of the matter. CAP will examine if policy or regulation can reduce the number of retired vehicles getting either a diagnosis or repair prior to retirement. CAP will make a recommendation to BAR Executive management regarding the circumstances and potential solutions, if any.

Public Comments

- A person in the audience requested he have input into regulations regarding Test Only. BAR assured all that they would, through the public hearing process. Another comment was that the State is moving too slowly, costing Test and Repair stations on a daily basis, and ultimately hurting the consumer.

- The Advisory Group would like a report on maintenance services and Chief Ross said he would check the information we have.

- Audience participant said that stations will stop being Smog Check stations if the direction of the Smog Check program doesn't change. He asked BAR and the Advisory Group how a Test Only station does a better test than a Test and Repair facility? Advisory Group member responded that is an economics issue in a business environment; Test and Repair stations have other avenues to generate money, whereas Test Only stations do not.

- Comment was made that regarding Test and Repair stations, exemptions are the biggest problem. It was asked, where BAR is on defining just what a Test Only station can do? BAR Chief said the regulations are being reviewed at DCA.

- The Advisory Group would like to discuss referee program changes and Chief Ross said we should discuss how to make it more effective.

- An Advisory Group member wants to discuss the future direction of the Smog Check program, and Chief Ross said he will check with Engineering for updates.

- Initiative on Attorney General's Website requires dealers to meet standards for "certified" 12-month/12,000 mile warranty. There is a 3-day cooling off period for "used" cars subject to restocking fee on a sliding scale.

- Audience participant said BAR needs a smoother transition of the process to transfer from an ARD sole-owner to a corporation, when no other changes are to be made.

♦ Agenda Items Raised for Future Meetings:

- ✓ Requirements for “certified” used cars setting standards
- ✓ 3-day cooling off period (for used cars only)
- ✓ At one of the future BAR Advisory Group meetings, the Audience wants BAR to consider whether or not Smog Check is doing what it was intended to do – effectiveness of program; more effective method of program management. Maybe a study needs to be done for program effectiveness.
- ✓ Committee member wants to discuss “pro-certified” used cars program – new dealers.
- ✓ The Advisory Group wants BAR to address maintenance service issues.

♦ Meeting Adjourned 2:40 PM

♦ Next Meeting Date:

July 11, 2005