



***Wisconsin
Vehicle Inspection Program
Annual Report
2004 – 2005***

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Executive Summary- 2005

- The Wisconsin Vehicle Inspection Program tested conducted 739,866 tests. This includes vehicles with final results of Pass, Fail, Abort, Void or Waived. The overall failure rate was 12.3%.
- The West Allis station conducted the most tests, 93,098, or 12.6% of the program's overall test volume. The Waukesha North station had the highest throughput at 25,256 tests/lane.
- Burlington tested the fewest vehicles with 22,992, or 3.1% of the volume. Waukesha South had the lowest throughput with 7,531 tests/lane.
- On a monthly basis, July had the highest test volume for the year, 83,529 and December had the least volume with 60,383 tests. The average monthly test volume was 75,184.
- The total number of waivers issued was 1,173, or 1.8% of the initial failed inspection volume.
- The total number of aborted tests was 61,685.
- The total number of IM240 inspections (pass/fail) was 258,149, the total number of idle inspections (pass/fail) was 6,858 and the total number of OBDII inspections (pass/fail) was 404,620. The total number of gas cap inspections (pass/fail) was 614,719.
- The initial failure rate for IM240 inspections (all vehicle categories) was 14.2%; retest failure rate was 47.4%; and overall IM240 failure rate was 18.7%.
- The initial failure rate for idle inspections (all vehicle categories) was 10.7%; retest failure rate was 38.8% and overall idle failure rate was 13.4%.
- The gas cap pressure test, performed on model year 1971 and newer vehicles had an overall failure rate of 3.0%.
- The initial failure rate for OBDII inspections (all vehicle categories) was 6.5%, retest failure rate was 7.0% and overall failure rate was 6.5%.
- The average repair cost for vehicles failing the initial test and passing the first retest was \$276.
- The number of registration renewals processed at the test stations was 270,906. The highest month for processed renewals was 7,387.

NETWORK SUMMARY 2005

| Station | Aborts | Fail | Pass | Voids | Waivers | Grand Total | Waiver Rate | % of Volume | Tests/Lane* |
|-------------------|--------|-------|--------|-------|---------|-------------|-------------|-------------|-------------|
| West Bend | 2853 | 3930 | 35807 | 18 | 40 | 42648 | 1.2% | 5.8% | 14216 |
| Waukesha North | 3670 | 6285 | 65721 | 17 | 75 | 75768 | 1.4% | 10.2% | 25256 |
| Milwaukee South | 7819 | 10231 | 74039 | 32 | 56 | 92177 | 0.7% | 12.5% | 18435 |
| Cedarburg | 1938 | 3217 | 27885 | 7 | 35 | 33082 | 1.3% | 4.5% | 16541 |
| Milwaukee North | 8183 | 11564 | 72326 | 35 | 173 | 92281 | 1.9% | 12.5% | 18456 |
| Milwaukee Central | 11796 | 14398 | 63061 | 61 | 165 | 89481 | 1.5% | 12.1% | 17896 |
| West Allis | 5351 | 6830 | 80778 | 36 | 103 | 93098 | 1.9% | 12.6% | 18620 |
| Racine | 5547 | 7358 | 43767 | 11 | 33 | 56716 | 0.6% | 7.7% | 18905 |
| Kenosha | 6537 | 8766 | 47756 | 36 | 79 | 63174 | 1.2% | 8.5% | 21058 |
| Burlington | 1939 | 2590 | 18447 | 3 | 13 | 22992 | 0.6% | 3.1% | 11496 |
| Sheboygan | 3428 | 4750 | 38766 | 11 | 344 | 47299 | 9.5% | 6.4% | 15766 |
| Waukesha South | 2361 | 3018 | 24694 | 18 | 36 | 30127 | 1.5% | 4.1% | 7532 |
| TAC South | 135 | 104 | 381 | 4 | 14 | 638 | | | |
| TAC North | 128 | 12 | 235 | 3 | 7 | 385 | | | |
| Grand Total | 61685 | 83053 | 593663 | 292 | 1173 | 739866 | 1.8% | 100.0% | 17206 |

* Milwaukee North has 6 available lanes but uses 6th lane infrequently. Used 5 as the divisor.

Executive Summary- 2004

- The total number of tests conducted was 804,428. This includes vehicles with final results of Pass, Fail, Abort or Waived. The overall failure rate was 13.51%
- The test station that tested the most vehicles was Milwaukee Central with 103,823 tests, or 13.7% of the volume. The test station that tested the most vehicles per lane was Waukesha North with 27,191 tests/lane.
- Conversely, Burlington tested the fewest vehicles with 24,825, or 3.1% of the volume. The test station that tested the least number of vehicles per available lane was Waukesha South with 8,123 tests/lane.
- March had the highest test volume for the year 83,160 and December had the least volume 48,222. The monthly average for inspections was 67,348.
- The total number of waivers issued was 2,294, or 3.3% of the initial failed inspection volume.
- The total number of aborted tests was 85,456.
- The total number of IM240 inspections (pass/fail) was 350,647, the total number of idle inspections (pass/fail) was 10,773 and the total number of OBDII inspections (pass/fail) was 346,998. The total number of gas cap inspections. (pass/fail) was 634,035.
- The initial failure rate for IM240 inspections (all vehicle categories) was 14.5%; retest failure rate was 49.4%; and overall IM240 failure rate was 19.5%.
- The initial failure rate for idle inspections (all vehicle categories) was 10.6%; retest failure rate was 41.3% and overall idle failure rate was 13.7%.
- The gas cap pressure test, performed on 1971 and newer vehicles had an overall failure rate of 2.5% in 2004.
- The initial failure rate for OBDII inspections (all vehicle categories) was 5.3%, retest failure rate was 7.0% and overall failure rate was 5.4%.
- The average repair cost for vehicles failing the initial test and passing the first retest after repairs was \$306.28.
- The number of registration renewals processed at the test stations was 267,766. The highest month for processed renewals was July.

NETWORK SUMMARY - 2004

| STATION | Aborts | Fail | Pass | Voids | Waivers | Grand Total | Waiver Rate | % of Volume | Tests/Lane* |
|-------------------|--------|-------|--------|-------|---------|-------------|-------------|-------------|-------------|
| West Bend | 3909 | 4156 | 36488 | 25 | 55 | 44633 | 1.8% | 5.5% | 14878 |
| Waukesha North | 5756 | 7360 | 68282 | 24 | 152 | 81574 | 2.7% | 10.1% | 27191 |
| Milwaukee South | 10991 | 11368 | 76715 | 39 | 164 | 99277 | 2.0% | 12.3% | 19855 |
| Cedarburg | 2635 | 3356 | 28750 | 16 | 66 | 34823 | 2.5% | 4.3% | 17412 |
| Milwaukee North | 11014 | 13037 | 76233 | 68 | 310 | 100662 | 3.3% | 12.5% | 20132 |
| Milwaukee Central | 15620 | 17711 | 70101 | 76 | 315 | 103823 | 2.5% | 12.9% | 20765 |
| West Allis | 7338 | 7932 | 84070 | 31 | 207 | 99578 | 3.7% | 12.4% | 19916 |
| Racine | 7196 | 8158 | 45033 | 29 | 96 | 60512 | 1.7% | 7.5% | 20171 |
| Kenosha | 9524 | 10698 | 49084 | 42 | 163 | 69511 | 2.1% | 8.6% | 23170 |
| Burlington | 2836 | 3235 | 18712 | 16 | 26 | 24825 | 1.1% | 3.1% | 12413 |
| Sheboygan | 4935 | 6044 | 39628 | 19 | 605 | 51231 | 13.9% | 6.4% | 17077 |
| Waukesha South | 3275 | 3582 | 25509 | 31 | 95 | 32492 | 3.6% | 4.0% | 8123 |
| TAC South | 236 | 125 | 532 | 8 | 20 | 921 | | | |
| TAC North | 191 | 18 | 324 | 13 | 20 | 566 | | | |
| Grand Total | 85456 | 96780 | 619461 | 437 | 2294 | 804428 | 3.3% | 100.0% | 18708 |

* Milwaukee North has 6 available lanes but uses 6th lane infrequently. Used 5 as the divisor.

Program Overview

| | |
|-------------------------|---|
| Geographical Area: | Seven southeastern Wisconsin counties: Sheboygan, Washington, Ozaukee, Waukesha, Milwaukee, Racine and Kenosha. Testing region covers 2,500 square miles. |
| Test Procedure: | <p>IM240 (enhanced emission) testing -- in which vehicles are operated on dynamometers to simulate driving conditions while emissions are measured – is the standard test for all model year 1995 and older vehicles.</p> <p>Idle emission testing is a default test when IM240 testing cannot be performed.</p> <p>OBDII testing, in which vehicles' on-board computer is checked for emissions-related problems, is the standard test for all 1996 and newer vehicles equipped with OBDII technology.</p> <p>Gas cap testing is performed on all 1971 and newer vehicles.</p> |
| Network Size: | 12 Stations, 44 lanes and 2 Technical Assistance Centers (2 lanes) |
| Model Years (MY) Tested | <p>Registration Renewal Testing: Even Model Years beginning with MY 2002 (2005), Odd Model Years beginning with MY 2001 (2004)</p> <p>Change of Ownership: 2000 and older in CY 2005. 1999 and older in CY 2004</p> |

Program Rationale

The Wisconsin Vehicle Inspection Program plays a key role in the reduction of harmful pollutants

Southeastern Wisconsin is one of more than 120 metropolitan areas with ground-level ozone levels that exceed federal air quality standards. Excessive air pollution is a public health hazard. Geographically, as part of the south Lake Michigan air basin, southeastern Wisconsin is one of the worst areas in the country for ozone pollution.

Ground-Level Ozone Facts

Ground level ozone is:

- not emitted directly into the air;
- caused by a chemical reaction between volatile organic compounds (VOCs) – mostly hydrocarbons – and nitrogen oxides (NO_x) in the presence of sunlight;
- exacerbated by the presence of carbon monoxide (CO);
- worst in summer;
- a result largely of motor vehicles. They emit over one-third of all ozone-forming pollutants.

While ozone in the upper atmosphere protects the earth from harmful ultraviolet radiation, high concentrations at ground level can be harmful to human health and the environment. Specifically, ground level ozone:

- decreases lung capacity and other functions.
- inflames airway passages.
- reduces the effectiveness of the respiratory immune system.
- damages crops and forests.

Studies show that prevailing winds can transport air pollution from one area to another. The four states that border Lake Michigan are working cooperatively to find solutions that improve regional air quality. Operating vehicle inspection and maintenance programs in urbanized counties is an important part of this effort.

An Environmental Success Story

The Wisconsin Vehicle Inspection Program (WVIP) is an integral part of the state's overall strategy to improve air quality in southeastern Wisconsin - one of over 120 metropolitan areas in 31 states (plus the District of Columbia) with ozone pollution levels exceeding federal health standards. Motor vehicles produce approximately one third of southeast Wisconsin's VOC and NO_x emissions that contribute to the formation of ozone, and more than half of its carbon monoxide emissions. High ground-level ozone concentrations contribute to upper respiratory problems and can damage crops and forests. Through biennial testing the WVIP identifies vehicles that exceed exhaust and evaporative emission standards and prevents registration of those vehicles until they comply.

The WVIP works, preventing more than 40,000 tons of carbon monoxide and about 5,000 tons of ozone-forming hydrocarbons and NO_x from entering the air each year. It is an important reason why Wisconsin has not exceeded the federal carbon monoxide air quality standard once since 1984 – when testing began – but exceeded it 35 times between 1977 and 1984.

Ground-level ozone formation is of particular concern in warm weather. The WVIP achieved the following (estimated) reductions in ozone-forming emission on a typically hot summer day in 2005:

- 5.2 tons of VOC emissions (an 11.3% reduction in motor vehicle emissions)
- 6.9 tons of NO_x (6.9% reduction)
- 80.7 tons of CO (13.9% reduction)

This all adds up to cleaner, healthier air for Wisconsinites.

Background

The Wisconsin Department of Transportation (WisDOT) implemented the Wisconsin Vehicle Inspection Program (WVIP) in April 1984, in response to the federal Clean Air Act requirements. A major focus of the Clean Air Act is to reduce emissions that form ground-level ozone. Motor vehicles, industries, and smaller area sources such as lawn mowers, power boats, paints, solvents and other consumer products emit these ozone precursors. Areas exceeding federal air quality standards—established under the Clean Air Act are designated as non-attainment and are required by federal law to reduce emissions.

The WVIP is one of the primary components of the strategy to reduce air pollution in southeastern Wisconsin area. Each year, over 600,000 cars and light duty trucks in a seven county region of southeastern Wisconsin's ozone non-attainment area are tested for emissions. The program covers more than 2,500 square miles over seven counties: Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington, and Waukesha. Vehicles are tested in 12 stations located in Burlington, Cedarburg, Kenosha, Milwaukee, Racine, Sheboygan, Waukesha, West Bend, and West Allis.

The emissions tests are free to the motorist, but cost WisDOT about \$15 each. The state Transportation and Petroleum Environmental Cleanup Fund Act (PECFA) funds pay for the program.

Emissions testing is conducted by Envirotest Wisconsin Inc., which has operated the program under contract to WisDOT since it began. WisDOT administers the program, while the Wisconsin Department of Natural Resources (DNR) establishes the applicable vehicle emissions limitations in accordance with federal guidance.

Emissions Testing Requirements

The WVIP currently requires testing of all gasoline or alternative-fueled vehicles that are model year (MY) 1968 and newer and weigh 10,000 pounds gross vehicle weight rating (GVWR) or less. In general, vehicles are tested biennially (every other year). A vehicle receives its first test in the third calendar year after its model year and every two years thereafter (e.g., MY 2000 vehicles are tested in 2003, 2005, etc.). Collector vehicles are tested only at initial license plate registration and at change of ownership. Vehicles older than MY 1968, vehicles over 10,000 pounds GVWR, diesel-fueled vehicles, motorcycles, and electric vehicles are exempt from testing.

Vehicles are tested for hydrocarbon, nitrogen oxide and carbon monoxide tailpipe emissions. In addition, most vehicles are given a gas-cap pressure test to ensure that the gas cap is sealing properly. Satisfactory completion of the emissions test (tailpipe or OBDII test, plus gas cap test) is required for license plate renewal. In addition, vehicles at least five model years old must meet the emissions testing requirements within 45 days of changing ownership.

Vehicles normally receive one of two tests, depending on their model year (MY) and weight. MY 1996 and newer vehicles up to 8,500 lb. receive an on-board diagnostic (OBD II) test, in which the vehicle's on-board computer is scanned for emission-related problems. The test does not change or affect the vehicle's computer in any way. If the vehicle's MIL light (check-engine light) has been commanded on due to an emission equipment problem, then the vehicle fails the inspection. Most vehicles that fail an initial OBDII inspection are successfully repaired prior to retest.

Vehicles that are model year 1968 through 1995, and 1996 and newer vehicles over 8,500 lb., receive an IM240 test, in which the vehicle's tailpipe emissions are measured while the vehicle is "driven" through a 240-second drive cycle on a treadmill-like device called a dynamometer. The IM240 test is a transient emission test, which measures tailpipe emissions under varying engine load conditions. In instances where neither the OBDII test nor the IM240 test can be properly or safely administered, a vehicle may receive an idle test. As its name suggests, the idle test measures tailpipe emissions while the vehicle idles.

For both the IM240 and idle tests, a vehicle's tailpipe emissions are compared to a set of model year-specific allowable emission limits. A vehicle that exceeds these limits, or cutpoints, fails the emissions test. The DNR establishes the cutpoints necessary to comply with federal air quality standards. Their cutpoints produce an approximate 20% failure rate for vehicle model years 1981 and older. The cutpoints are set at more than double the pollution levels that vehicles should emit if properly tuned and maintained. This helps ensure that a relatively well-maintained vehicle will pass the emission test.

Gas caps from MY 1971 and newer vehicles are tested for integrity, because poor seals allow hydrocarbon vapors to escape from the gas tank. Gas caps are tested by removing from the vehicle and attaching to a pressure test rig. Failure of the gas cap pressure test requires motorists to replace the gas cap and pass a retest.

Operating Statistics

Test Volume Decreased In 2005

In 2005, the test volume decreased 8% from 2004 test volume. Several factors appear to have contributed to this volume reduction:

- Most significantly, a rule change exempted two additional late model years from testing, effective mid-2004;
- A gradual decrease in overall test failure rate over the past several years; and
- limited functionality of the I/M component of WisDOT's registration and titling software since the product's roll-out.

While the drop in the overall failure rate would be a factor in the decline, there are also concerns that vehicles are either leaving the testing area or being driven with expired or suspended vehicle registrations.

| | 2004 | 2005 |
|---------------------------------|---------------------------------|----------------------|
| Total Tests | 804,428 | 739,866 |
| # of Registration Renewal Tests | 640,420 | 594,194 |
| # of Change of Ownership Tests | 160,791 | 142,960 |
| Highest Volume Station | Milwaukee Central 103,823 | West Allis 93,098 |
| Lowest Volume Station | Burlington 24,825 | Burlington 22,992 |

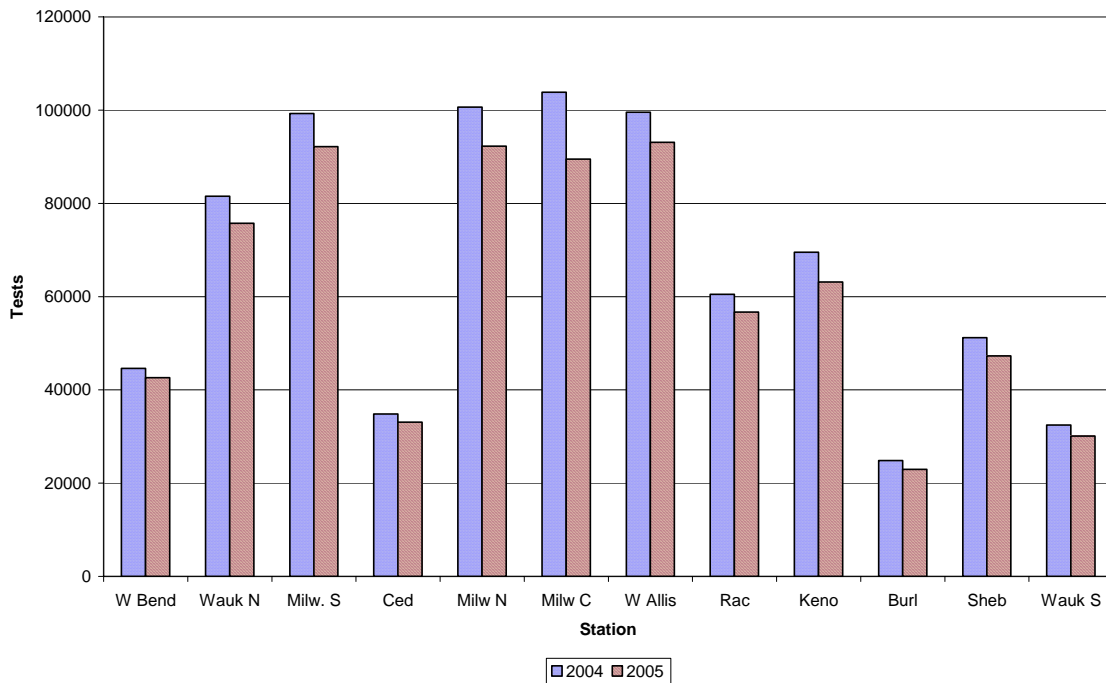
Registration Renewal and Change of Ownership Tests

In looking at the tests by customer type, it is also evident that there was a decrease in testing volume in 2005 compared to 2004. The number of registration renewal tests decreased 7% and the change of ownership tests decreased 11%.

Test Station Activity – Total Volume

West Allis surpassed Milwaukee Central in 2005 as the highest volume station. One explanation to Milwaukee Centrals decline in testing volume would be the Marquette Interchange construction that is near the inspection station. The West Allis testing facility is the closest alternate testing station to the Milwaukee Central facility. Burlington, one of the smaller stations (2 lanes), conducted the fewest tests for both 2004 and 2005.

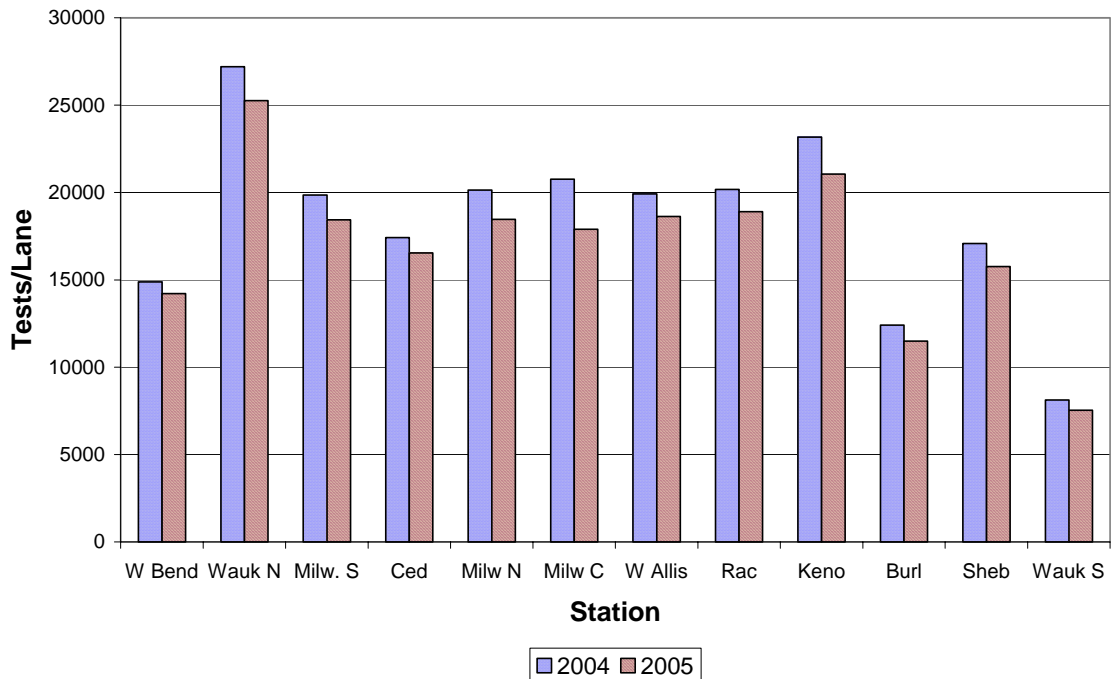
Testing Volume By Station



Test Station Throughput – Tests Per Lanes

Just as overall volume fell in 2005, throughput fell throughout the network too. Throughput refers to the average annual test volume per available lane. This rate permits comparison of the test volume handled at each test station by adjusting for the facility size. In 2005, the average usage rate was 17,206 tests/lane, compared to 18,708 tests/lane in 2004.

Average Tests Per Lane

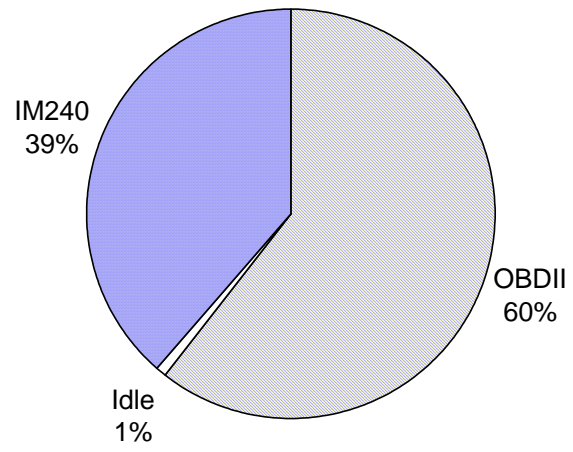


Volumes By Test Type

The type of test a vehicle receives at the test station is usually determined by its model year. In 2005, the proportion of vehicles receiving an IM240 test decreased compared with 2004. This represents a reversal in the gradual trend towards greater OBD testing. Over time, IM240 tests will represent an increasingly small proportion of total tests. Due to continued fleet turnover, OBDII vehicles will comprise an increasingly large proportion of the testable fleet.

| | 2004 | 2005 |
|---------------|---------|---------|
| IM240 Tests | 350,647 | 258,149 |
| Idle Tests | 10,773 | 6,858 |
| OBDII Tests | 346,998 | 404,620 |
| Gas Cap Tests | 634,035 | 614,719 |

Test Types 2005

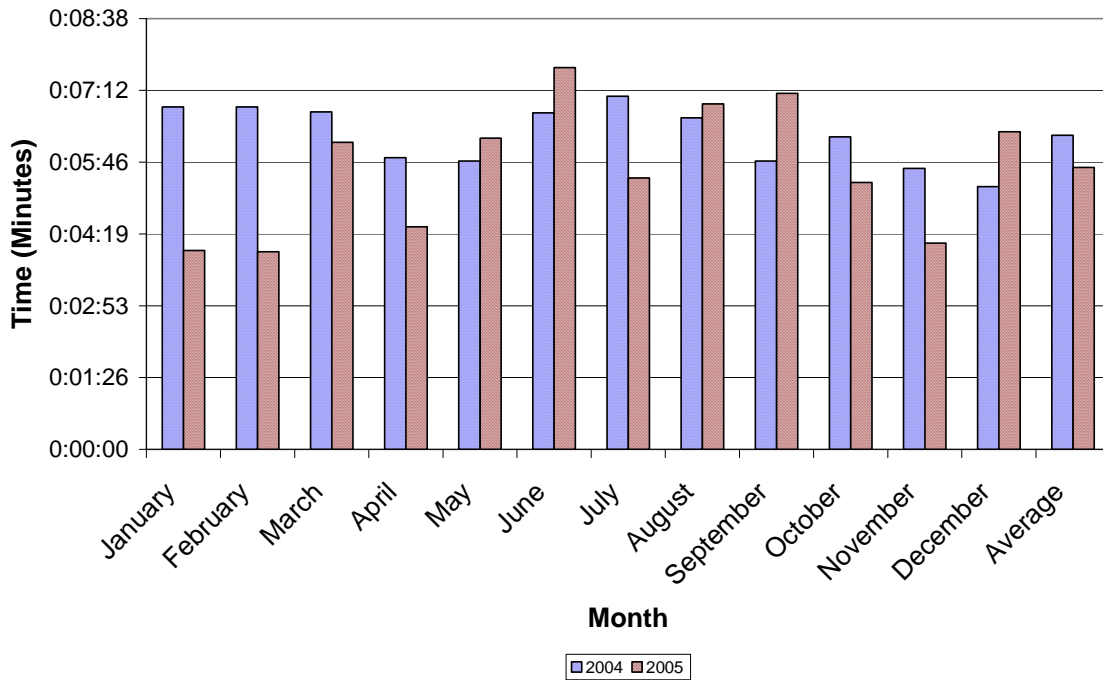


Customer Convenience

Customer convenience is a program priority. The amount of time motorists wait for vehicle testing is a key measure of convenience because it directly affects their acceptance of the program. The vehicle inspection program has developed procedures to ensure that customer wait times are minimized.

On average, customers waited slightly over 5 1/2 minutes for a test in 2005 compared with over six minutes in 2004. While there are many factors that affect waiting times, it is felt that the increase of OBDII testing for newer vehicles reduced testing volume and improved testing efficiencies were the contributing factors to less wait times.

Average Wait Time By Month



Failure Statistics

Overview

A small population of vehicles in southeastern Wisconsin produces most of the vehicle exhaust pollution – these are the so-called gross polluters. As vehicles are driven, problems can develop because of defective parts, improper maintenance or simply from deterioration due to age and usage. This helps explain why a vehicle can be relatively clean one year and become a gross polluter at the time of its next inspection. Since hydrocarbon, carbon monoxide and nitrogen oxides are invisible, a vehicle inspection is an effective method to ensure that a vehicle is not polluting excessively.

For the IM240 and Idle emission inspection test types, emission limitations are simply the emission standards used to determine whether a vehicle passes or fails the emission inspection. The Wisconsin Department of Natural Resources (DNR) determines the emission standards necessary to achieve the emission reductions needed to attain air quality standards in the most cost effective manner. The emission limitations allow at least double the emission levels that vehicles should achieve if properly tuned and maintained. This helps ensure that a relatively well-maintained vehicle should be able to pass the emission test.

The following chart is a summary of the failure rates for: 1) All Test Types; 2) IM240; 3) Idle; 4) OBDII and 5) Gas Caps. It also lists the associated repair costs for each test type. The average repair costs are for repairs performed at a repair facility between the initial test failure and subsequent retest pass.

| | 2004 | 2005 |
|---|-------------|-------------|
| Volume - All Test Types (pass/fail only) | 716,241 | 676,716 |
| Initial Test Fail Rate – All Test Types | 11.0% | 10.5% |
| Retest Fail Rate – All Test Types | 35.2% | 28.4% |
| Overall Fail Rate | 13.5% | 12.3% |
| Avg. Repair Cost for 1 st Retest Pass | \$306.28 | \$276.00 |
| IM240 Test Volume (pass/fail only) | 350,647 | 258,149 |
| Initial IM240 Fail Rate | 14.5% | 14.2% |
| Retest IM240 Fail Rate | 49.4% | 47.4% |
| Overall IM240 Fail Rate | 19.5% | 18.7% |
| Avg. Repair Costs for 1 st Retest Pass | \$322.32 | \$295.05 |
| Idle Test Volume (pass/fail only) | 10,773 | 6,858 |
| Initial Idle Fail Rate | 10.6% | 10.7% |
| Retest Idle Fail Rate | 41.3% | 38.8% |
| Overall Idle Fail Rate | 13.7% | 13.4% |
| Avg. Repair Costs for 1 st Retest Pass | \$283.48 | \$319.41 |
| OBD Test Volume (pass/fail only) | 346,998 | 404,620 |
| Initial OBD Fail Rate | 5.3% | 6.5% |
| Retest OBD Fail Rate | 7.0% | 7.0% |
| Overall OBD Fail Rate | 5.4% | 6.5% |
| Avg. Repair Costs for 1 st Retest Pass | \$289.32 | \$289.46 . |
| Gas Cap Test Volume (pass/fail only) | 634,035 | 614,719 |
| Gas Cap Fail Rate Overall | 2.5% | 3.0% |
| Vehicle Waivers | 2,294 | 1,173 |

The overall failure rate for all test types fell from 13.5% in 2004 to 12.3% in 2005. The drop in the failure rate can be attributed to a number of factors including more effective repairs and the fact that newer vehicles generally are more durable than older ones.

Tailpipe Tests – IM240 and Idle

IM240 Tests

The overall IM240 failure rate decreased slightly in 2004, from 20 % in 2005 to 19%.

IM240 Failure Rate By Model Year

| Model Year | 2004 | 2005 | Model Year | 2004 | 2005 | Model Year | 2004 | 2005 |
|------------|------|------|------------|------|------|------------|------|------|
| 1968 | 30% | 38% | 1981 | 31% | 36% | 1994 | 15% | 11% |
| 1969 | 35% | 39% | 1982 | 38% | 28% | 1995 | 8% | 13% |
| 1970 | 31% | 38% | 1983 | 30% | 33% | 1996 | 16% | 14% |
| 1971 | 23% | 41% | 1984 | 33% | 24% | 1997 | 8% | 14% |
| 1972 | 29% | 17% | 1985 | 27% | 36% | 1998 | 7% | 7% |
| 1973 | 29% | 20% | 1986 | 30% | 19% | 1999 | 3% | 6% |
| 1974 | 21% | 20% | 1987 | 34% | 40% | 2000 | 1% | 2% |
| 1975 | 31% | 41% | 1988 | 41% | 29% | 2001 | 1% | 1% |
| 1976 | 37% | 32% | 1989 | 28% | 33% | 2002 | 0% | 1% |
| 1977 | 34% | 38% | 1990 | 33% | 24% | 2003 | 0% | 0% |
| 1978 | 40% | 32% | 1991 | 23% | 28% | 2004 | 0% | 0% |
| 1979 | 36% | 40% | 1992 | 26% | 19% | All | 20% | 19% |
| 1980 | 37% | 29% | 1993 | 18% | 21% | | | |

Idle Tests

In 2004 and 2005, the initial test failure rate was 11%. The retest failure rate was 41% in 2004, compared to 39 % in 2005. The overall idle test failure rate fell from 14% in 2004 to 13% in 2005.

Idle Failure Rate By Model Year

| Model Year | 2004 | 2005 | Model Year | 2004 | 2005 | Model Year | 2004 | 2005 |
|------------|------|------|------------|------|------|------------|-------|------|
| 1968 | 47% | 35% | 1980 | 37% | 26% | 1992 | 20.0% | 13% |
| 1969 | 25% | 29% | 1981 | 35% | 25% | 1993 | 10% | 11% |
| 1970 | 11% | 37% | 1982 | 65% | 36% | 1994 | 12% | 8% |
| 1971 | 19% | 24% | 1983 | 45% | 13% | 1995 | 7% | 11% |
| 1972 | 30% | 28% | 1984 | 38% | 30% | 1996 | 17% | 5% |
| 1973 | 33% | 36% | 1985 | 22% | 30% | 1997 | 5% | 2% |
| 1974 | 21% | 42% | 1986 | 35% | 28% | 1998 | 7% | 9% |
| 1975 | 24% | 19% | 1987 | 24% | 28% | 1999 | 1% | 2% |
| 1976 | 33% | 25% | 1988 | 20% | 25% | 2000 | 4% | 4% |
| 1977 | 27% | 12% | 1989 | 27% | 24% | 2001 | 1% | 19% |
| 1978 | 34% | 36% | 1990 | 23% | 19% | 2002 | 0.0% | 1% |
| 1979 | 41% | 25% | 1991 | 17% | 24% | 2003 | 0.0% | 0% |
| | | | | | | All | 14% | 13% |

OBDII Tests

The failure rate for initial OBDII tests rose from 5% in 2004 to 7% in 2005. The retest failure rate remained at 7% for both years. The overall OBDII failure rate rose from 5% in 2004 to 7% in 2005.

OBDII Failure Rate By Model Year

| Model Year | 2004 | 2005 |
|------------|-------|------|
| 1996 | 14.4% | 12% |
| 1997 | 7.6% | 12% |
| 1998 | 8.1% | 7% |
| 1999 | 4.2% | 7% |
| 2000 | 5.6% | 5% |
| 2001 | 3.6% | 8% |
| 2002 | 2.4% | 3% |
| 2003 | 0.8% | 2% |
| 2004 | 6.3% | 10% |
| All | 5% | 7% |

Gas Cap Test

During 2004 and 2005, the overall failure rate for gas caps was 3%. As the chart illustrates, older vehicle's failure rate for gas caps were much higher than newer vehicle's gas cap failure rate. This increased failure rate is a result of gas cap wear and tear, which affects the way a gas cap seals on the vehicle. Without a functional gas cap pressure test, a motorist would not be aware of the problem. A gas cap that fails the pressure test would allow evaporating gas from the vehicle to enter the air. Not only is this bad for the environment but it also is bad for a vehicle's fuel economy.

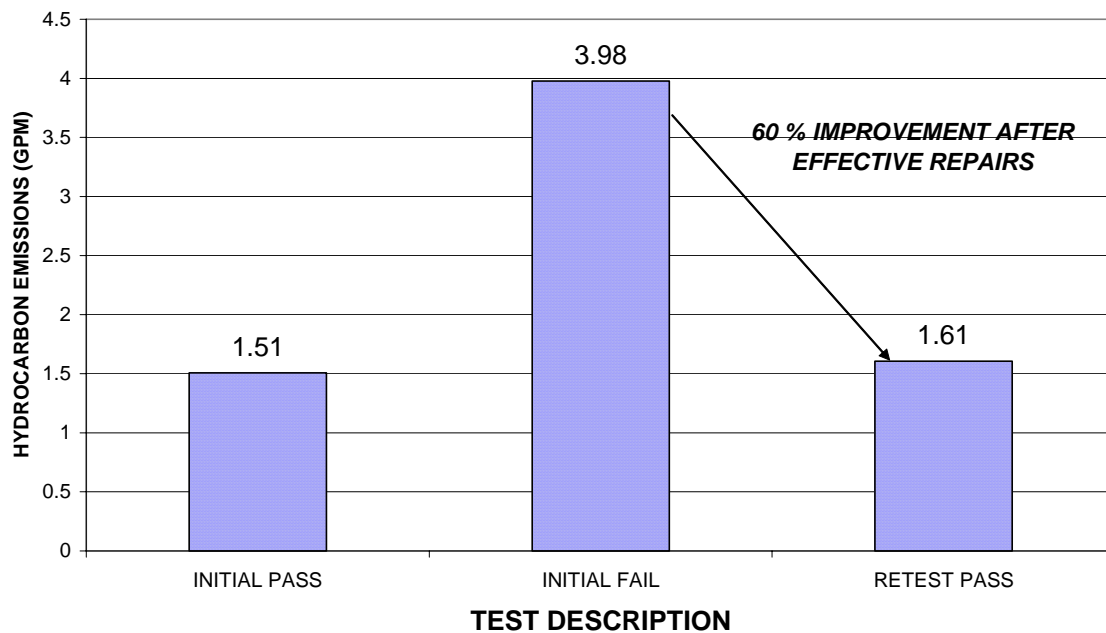
Gas Cap Failure Rate By Model Year

| Model Year | 2004 | 2005 | Model Year | 2004 | 2005 | Model Year | 2004 | 2005 |
|------------|------|------|------------|------|------|------------|------|------|
| 1971 | 23% | 32% | 1982 | 9% | 7% | 1993 | 3% | 4% |
| 1972 | 26% | 17% | 1983 | 7% | 12% | 1994 | 3% | 3% |
| 1973 | 23% | 24% | 1984 | 7% | 7% | 1995 | 3% | 4% |
| 1974 | 16% | 19% | 1985 | 5% | 7% | 1996 | 3% | 3% |
| 1975 | 13% | 13% | 1986 | 6% | 5% | 1997 | 2% | 3% |
| 1976 | 12% | 18% | 1987 | 5% | 8% | 1998 | 2% | 2% |
| 1977 | 10% | 15% | 1988 | 6% | 5% | 1999 | 2% | 2% |
| 1978 | 15% | 14% | 1989 | 4% | 6% | 2000 | 2% | 3% |
| 1979 | 9% | 14% | 1990 | 5% | 5% | 2001 | 2% | 4% |
| 1980 | 13% | 7% | 1991 | 4% | 5% | 2002 | 2% | 2% |
| 1981 | 8% | 12% | 1992 | 4% | 3% | 2003 | 2% | 2% |
| | | | | | | All | 3% | 3% |

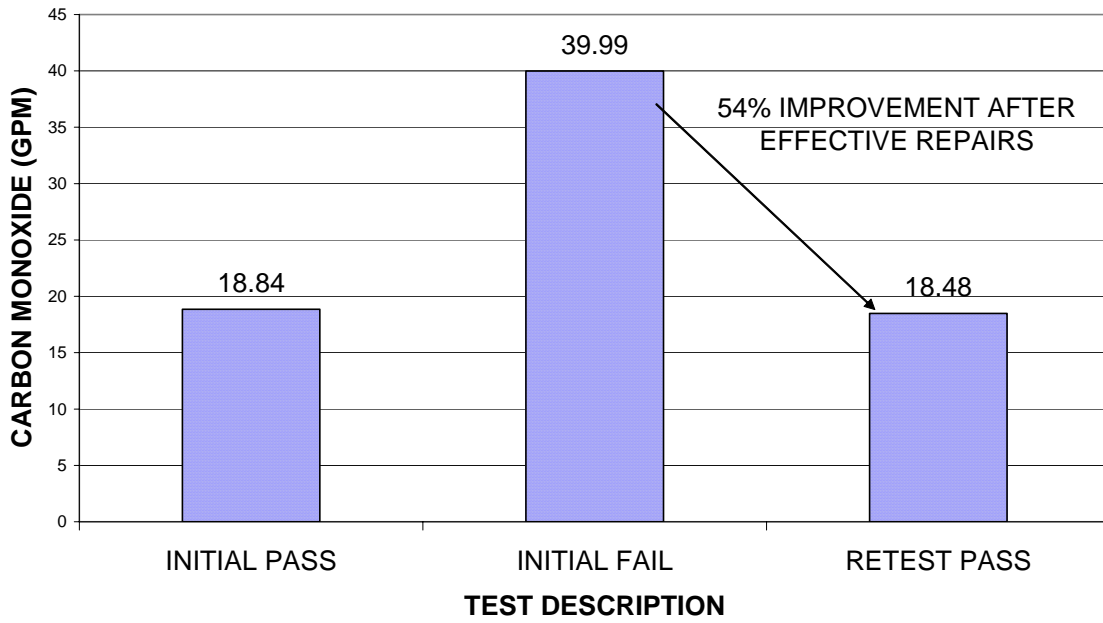
Repairs Are Effective In Reducing Emissions

To illustrate how repairs are effective in reducing emissions, let's look closely at automobiles that failed an IM240 initial test. Vehicles that did not meet the emission standards for their initial IM240 test average over 2 times higher hydrocarbon and carbon monoxide emissions and over 1.5 times higher oxide of nitrogen levels (NO_x). However, once these failed vehicles were successfully repaired and retested, their average tailpipe emissions showed significant improvements. On the average, there was a 60 % improvement in hydrocarbon emissions, 54% improvement in carbon monoxide emissions and a 50% improvement in NO_x emissions in automobiles that passed their retests after having some sort of emission related repairs or adjustments.

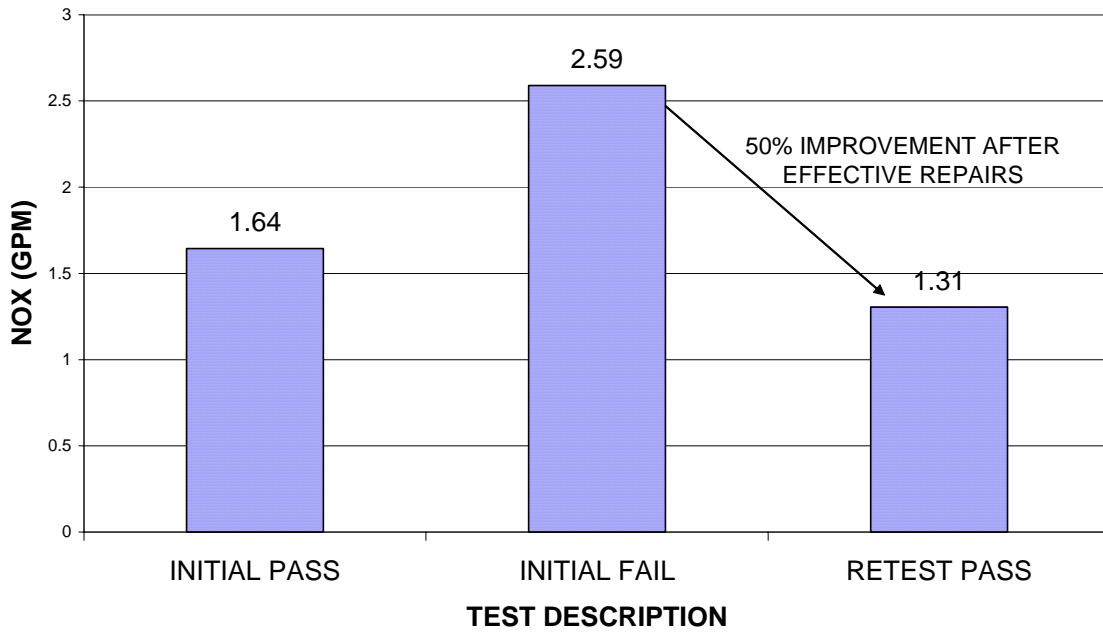
HYDROCARBON EMISSION LEVELS
LIGHT DUTY GAS VEHICLES (AUTOS)



CARBON MONOXIDE EMISSION LEVELS Light Duty Gas Vehicles (AUTOS)



OXIDES OF NITROGEN (NOX) EMISSION LEVELS Light Duty Gas Vehicles (AUTOS)



Repair Costs

For all test types, motorists whose vehicle failed an initial emissions test and passed a first retest after the vehicle received emission related repairs at a repair facility paid an average repair cost of \$276 in 2005, compared to \$306 in 2004.

Average Repair Costs

| Model Year | 2004 | 2005 | Model Year | 2004 | 2005 | Model Year | 2004 | 2005 |
|-------------------|-------------|-------------|-------------------|-------------|-------------|-------------------|-------------|-------------|
| 1968 | \$149 | \$246 | 1980 | \$313 | \$268 | 1992 | \$303 | \$325 |
| 1969 | \$191 | \$121 | 1981 | \$321 | \$307 | 1993 | \$323 | \$328 |
| 1970 | \$148 | \$249 | 1982 | \$301 | \$255 | 1994 | \$331 | \$356 |
| 1971 | \$222 | \$107 | 1983 | \$274 | \$283 | 1995 | \$355 | \$340 |
| 1972 | \$101 | \$106 | 1984 | \$313 | \$281 | 1996 | \$317 | \$321 |
| 1973 | \$199 | \$203 | 1985 | \$298 | \$451 | 1997 | \$305 | \$296 |
| 1974 | \$336 | \$280 | 1986 | \$295 | \$281 | 1998 | \$318 | \$331 |
| 1975 | \$326 | \$385 | 1987 | \$311 | \$332 | 1999 | \$310 | \$344 |
| 1976 | \$310 | \$226 | 1988 | \$327 | \$280 | 2000 | \$244 | \$318 |
| 1977 | \$188 | \$335 | 1989 | \$312 | \$356 | 2001 | \$174 | \$226 |
| 1978 | \$335 | \$169 | 1990 | \$346 | \$316 | 2002 | \$84 | \$157 |
| 1979 | \$211 | \$409 | 1991 | \$316 | \$323 | 2003 | \$20 | \$28 |
| | | | | | | All | \$306 | \$276 |

Vehicle Waivers

Vehicles receiving waivers for 2005 represented 1.8 % of initial test failures. For 2005, 1,173 vehicles received waivers, compared to 2,294 in 2004. This represents a 32% decrease. Several factors could be associated with the decline in waivers.

A motorist may request a one-year waiver from further test requirements if the vehicle fails a second retest after repairs and an initial retest. In general, a waiver may be granted if the motorist exceeds the cost limit on emission-related repairs and adjustments. The waiver repair cost limit excludes emission system warranty repairs and the repair/replacement of tampered emission control devices identified during the equipment check. Each station has at least one waiver inspector who processes waiver requests.

Waivers Issued By Model Year

Waivers by Model Year

| Model Year | 2004 | 2005 | Model Year | 2004 | 2005 | Model Year | 2004 | 2005 |
|------------|------|------|------------|------|------|------------|------|------|
| 1968 | 5 | 6 | 1980 | 3 | 10 | 1992 | 125 | 176 |
| 1969 | 10 | 4 | 1981 | 22 | 0 | 1993 | 385 | 61 |
| 1970 | 1 | 1 | 1982 | 12 | 11 | 1994 | 96 | 186 |
| 1971 | 1 | 3 | 1983 | 36 | 6 | 1995 | 170 | 51 |
| 1972 | 4 | 3 | 1984 | 26 | 26 | 1996 | 8 | 14 |
| 1973 | 3 | 3 | 1985 | 87 | 13 | 1997 | 12 | 3 |
| 1974 | 1 | 2 | 1986 | 39 | 40 | 1998 | 4 | 1 |
| 1975 | 3 | 2 | 1987 | 226 | 40 | 1999 | 3 | 2 |
| 1976 | 5 | 8 | 1988 | 126 | 150 | 2000 | 1 | 2 |
| 1977 | 11 | 3 | 1989 | 325 | 74 | 2001 | 10 | 0 |
| 1978 | 8 | 15 | 1990 | 131 | 191 | 2002 | | 1 |
| 1979 | 36 | 6 | 1991 | 358 | 59 | All | 2294 | 1173 |

Program Highlights

Motor Vehicle Emission Reductions & Air Quality Improvement

Reducing motor vehicle emissions plays a large role in improving regional air quality. Along with reformulated gasoline use, the WVIP is Wisconsin's most significant vehicle emission reduction program, and one that contributes to improved air quality in the entire upper Midwest.

The DNR estimates that the program achieved the following reductions in on-road motor vehicle emissions during 2005:

- Volatile organic compounds (VOC) emissions by 5.2 tons per summer weekday, or 11.3%.
- Oxides of nitrogen (NOx) emissions reduced by 6.9 tons per summer weekday, or 6.9%.
- Carbon monoxide (CO) emissions reduced by 80.7 tons per summer weekday, or 13.9%.

2005 Hot Summer Weekday Emissions (tons)

| | Area | VOC | NOx | CO | All Three Pollutants |
|-----------------------|--------------------|-------|-------|--------|----------------------|
| No I/M Program | 6-Counties* | 42.33 | 92.41 | 535.63 | 670.37 |
| | Sheboygan County | 3.71 | 7.30 | 45.99 | 57.00 |
| | All Seven Counties | 46.04 | 99.71 | 581.62 | 727.37 |
| I/M Program | 6-Counties* | 37.54 | 85.95 | 461.70 | 585.19 |
| | Sheboygan County | 3.28 | 6.85 | 39.22 | 49.35 |
| | All Seven Counties | 40.82 | 92.80 | 500.92 | 634.54 |
| I/M Reductions (tons) | All Seven Counties | 5.22 | 6.91 | 80.70 | 92.83 |
| I/M Reductions (%) | All Seven Counties | 11.3% | 6.9% | 13.9% | 12.8% |

Over time, the WVIP has contributed to the following air quality advances in Wisconsin:

- Ozone: Ground-level ozone concentrations in southeastern Wisconsin have dropped significantly over the past 15 years. During 1990 the 1-hour ozone "design value" (a calculated measurement used to evaluate compliance with the 1-hour ozone standard) for southeastern Wisconsin was 0.19 parts per million (ppm). This value was high enough that six southeastern Wisconsin counties were classified as a severe ozone nonattainment area under the 1990 Clean Air Act amendments. Other eastern Wisconsin counties were assigned less severe non-attainment designations.

By 2001, the 1-hour design value for southeastern Wisconsin had dropped to 0.12 ppm, meeting the 1-hour ozone standard. All Wisconsin counties are now considered in attainment for the standard. 2000 was the first year of ozone monitoring where the 1-hour ozone standard was not exceeded in southeastern Wisconsin.

More recently, the U.S. EPA implemented a more stringent ozone standard, the so-called 8-hour ozone standard. In April 2004, several southeastern and eastern Wisconsin counties were designated non-attainment areas under this standard. The WVIP will play an important, ongoing role in the state's efforts to comply with the standard.

- Carbon Monoxide: Between 1977 and 1984, southeastern Wisconsin exceeded the federal carbon monoxide standard 35 times. Since the program's implementation in 1984, southeastern Wisconsin has not exceeded this standard even once.

Credit for these air quality improvements goes to various state and federal ozone control measures implemented both in Wisconsin and other states. Aside from Wisconsin's and neighboring states' vehicle inspection and maintenance programs, these include reformulated gasoline, national emission standards for new motor vehicles, utility and industrial source controls, and gasoline vapor recovery controls.

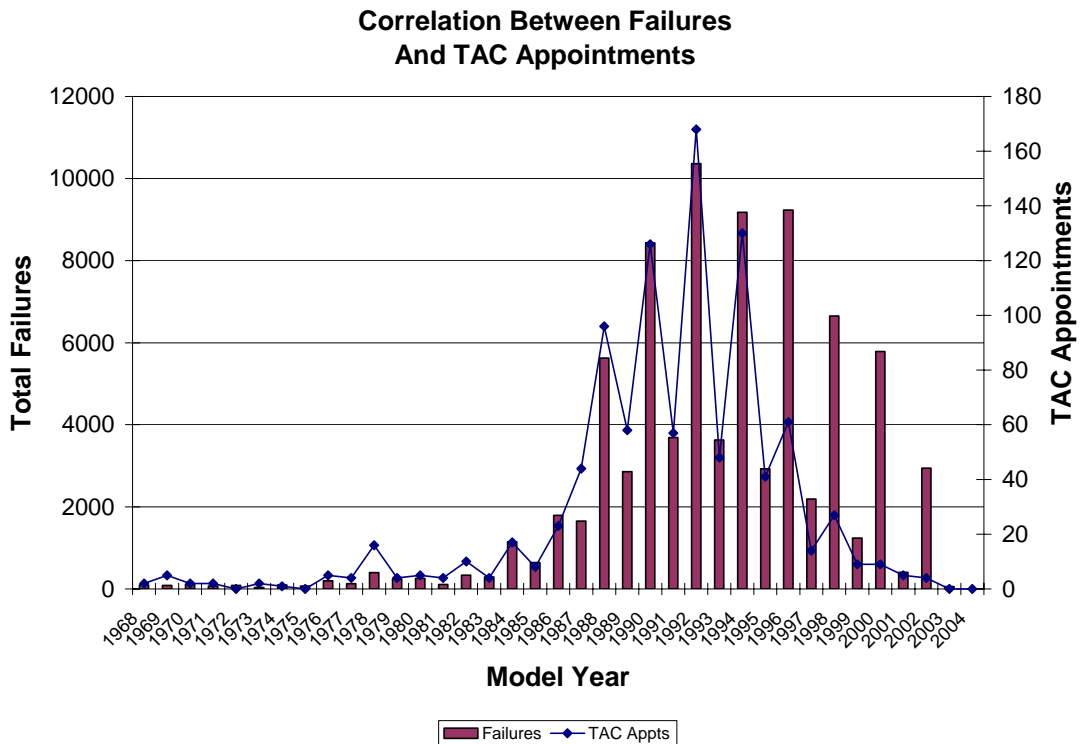
Additional Services

Technical Assistance Centers

When a vehicle is repaired at a shop with emission-trained technicians and still fails a retest, the motorist may take it to one of two program-operated Technical Assistance Centers (TACs). Appointments are made through the emission testing facilities.

The TACs are staffed by master technicians who can assist in identifying the causes of excessive vehicle emissions. While the master technicians provide free vehicle diagnostic services, they do no repair work. They share diagnostic analysis results with the motorist, who may pass them on to a hired repair technician. Additional repairs can then be performed and the vehicle returned to a station for retest.

During 2005, 1,014 motorists received technical assistance center service. This compares to 1,743 appointments in 2004. The decline in appointments can be attributed to many factors. However, the number of OBDII tests and the repair industry's increasing success at fixing vehicles after a first failing test are probably the largest factor in the TAC activity decline.



Registration Renewal and Titling Services

Motorists now may renew their license plates or complete titling transactions at any vehicle test station. Registration renewal/titling offices, located at all 12 of the testing locations, are open during all 54 testing hours per week, including Saturdays from 8 am – 1 pm. An additional service fee is charged for conducting these transactions performed at a test station. Stations processed 270,906 registration renewals in 2005 and processed 267,206 in 2004.

Emission test stations also perform titling services. In 2005, stations completed 7,387 titling transactions, compared to 5,486 in 2004. The increase occurred largely because titling services are becoming more publicized throughout the community.

Registration Renewals By Month

