

WORKSHOP B

SESSION ONE

Presentation 1

Case study for an emerging country: PTI introduction in Brazil

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PTI introduction in Brazil

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- Typical challenges and risks of a PTI introduction
- The initial situation in Brazil
- Partnership with an experienced organization
- Measures for a successful PTI program for Sao Paulo
- Current challenges and outlook

Typical challenges and risks of a PTI introduction

PURPOSE OF VEHICLE INSPECTION

Vehicle safety and environmental protection

OBJECTIVES = SUCCESS FACTORS OF VEHICLE INSPECTION

High inspection quality

Acceptance of the public

CHALLENGES

Supervision of quality / Avoidance of a negative quality competition

Avoidance of conflicts of interest and corruption

Availability of competent staff

Understanding the purpose of the system

Acceptance of the burden (cost / time)

Customer satisfaction / convenience

- Customer orientation

- Flexibility (changes of cars)

STAKEHOLDERS

Staff

- Know-how
- Vulnerability for corruption

Competitors

- Strategies
- Fair / unfair competition

Customers

- Understanding
- Expectations
- Trust

Press/ media

- Relevant issues

General public

- Understanding

Shareholders

- Pressure on financial success

State authorities

- Commitment
- Know-how

Legal framework

■ **Legislation**

- **Federal legislation for safety and Federal/state/municipal legislation for emission testing**
- **Incomplete regulatory standards**
 - Emission limits outdated until 2009 (since 1996)
 - Lack of inspection procedures and limits for noise inspection
- **Mistaken Automotive Legislation**
 - Decreasing annual licensing taxes (based upon car value)
 - No compulsory insurance against third parties
 - Incentive to indiscriminate ownership and use of private cars
 - Over 30% of tax evaders/illegal fleet
- **Control and supervision**
 - Inefficient Fines and enforcement scheme
 - Unknown licensing status
 - Lack of a Regulatory agency
 - Lack of a fleet renewal and disposal regulation

■ **Economy**

- Lack of fleet data
- Unconscious car usage

■ **Car ownership**

- Lack of a preventive maintenance conscience
- Unprepared repair industry for growing demand

■ **Concession model**

- Pioneering concession model for this industry
- Pioneering municipal concession
- Challenges of communication, public awareness and political support

Partnership with an experienced organization

Basic idea

Competent local operative business company:
Controlar S/A, Brazil



Internationally experienced technical partner:
TÜV NORD Mobilität, Germany



Strong local operative management know-how

- Knowledge of specific framework conditions in Brazil
 - markets
 - structures
 - regulations
 - political system
 - media
 - labour market etc.
- “Newcomer” in PTI

Know-how and Experience in vehicle inspections

- “State-of-the-art” technical know-how
- Quality assurance / supervision by state authorities
- Development of inspections following technical progress (e.g. electronic components)
- Planning and building of vehicle inspection centers incl.
- Planning and purchase of test equipment
- Internal and external process management / optimization of procedures
- IT-solutions (e.g. electronic information systems / data storage, network and utilization)
- Participation in international studies and panels
- Development of adapted conceptions for international partners

■ Brief description of co-operation

- Support during tender phase
- Deployment of a program manager for the planning and set-up phase serving as a consultant and link to TÜV NORD Mobilität know-how
- Quality supervision
- Technical co-operation partnership becomes part of the brand identity



■ Support issues (examples)

- Development and implementation of infrastructure, personnel and processes for vehicle inspection
 - Building and design
 - Equipment (requirements)
 - IT systems
 - Staff (selection, training conception)
 - Quality management

Implementation Strategy

First year

- Diesel vehicles – without user payment

Second Year:

- Diesel vehicles + motorcycles + automobiles newer than 2003
- User payment refunded upon approval of vehicle

Third year:

- All fleet – user pays inspection and gets free reinspection if performed within 30 days

Fourth year:

- Approval in noise testing included

Concessionaire´s commitment to high standards and quality

- Standardization and processes control
- Control and confidentiality of information
- Excellence in customer services
 - Infrastructure
 - Redundancy in vital systems – power supply, communication, contingencies
 - Data security
 - On line information exchange with users, bank accounts, transit authority
 - Accountability and credibility
 - Statistics and analyses
 - Employees training and reward program
 - Technical training
 - Daily on-site procedures update
 - Customers complaints and feed-back
 - Education and career development
 - Reward and recognition

3 Steps in building a successful implementation:

#1 – Technical Excellence

2 – Client is “King”

3 – Building support among all stakeholders:

- Municipality and environment secretary
- Transit authority
- Public data warehouses
- Users
- Press and opinion leaders
- NGO, associations, class entities

Other items

- **16 Centers available throughout the city** [\(map\)](#)
- **All test previously scheduled**
 - On-line (92%)
 - By phone (8%)
- **Rigorous anti-fraud procedures**
 - Monitoring through cameras
 - Skilled professionals trained in customer services
 - Statistical analysis
 - “CIA” actions
- **Certifications**
 - ISO 9001
 - ISO 14001
 - OHSAS 18000

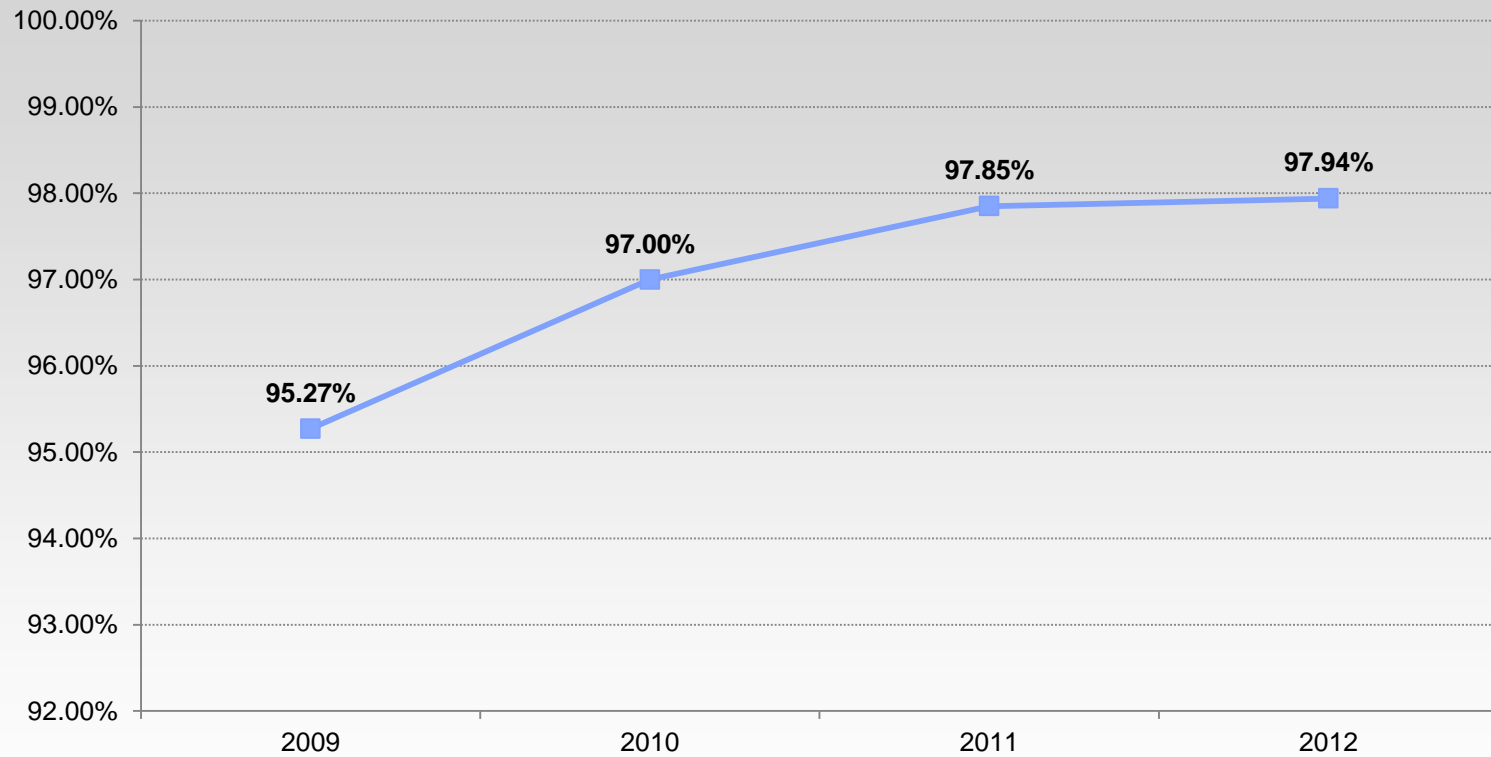
Measures for a successful PTI program for Sao Paulo - V



▪ Results

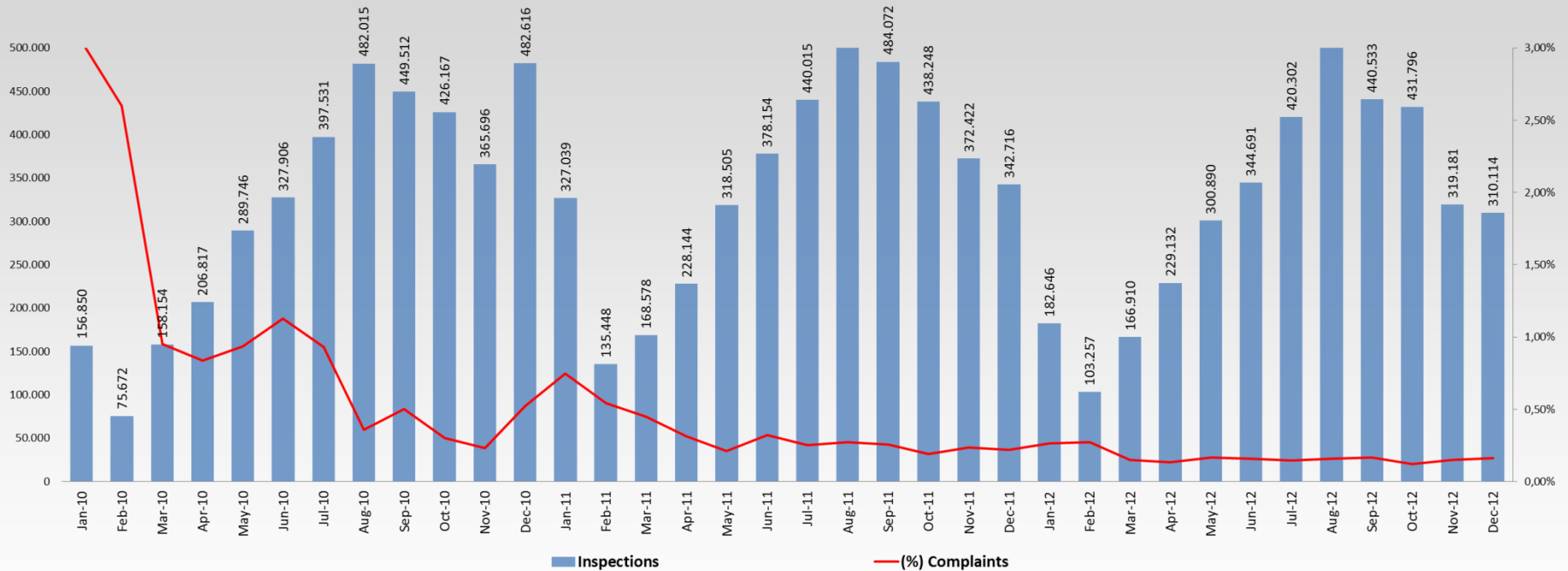
- Benefits of exhaust emissions tests on diesel vehicles in 2011
 - US\$ 80 million savings in the health system
 - 1.515 admissions avoided
 - 584 lives saved
 - 28% emission reduction
- Environmental gain like removing 1,4 million vehicles from the city

Assisted in less than 30 minutes



Complaints

Complaints



■ **Political Issues:**

- Populist “no charge” campaign
- Challenges to reduce “accounts payable”
- “No benefit evidence”
- Enforcement = still a hard job!

■ **Shelters:**

- Demonstration of the Program Benefits
 - Studies carried out – “equivalent fleet reduction” and medical evidence
 - Awards received
- Unbiased media and opinion leaders
- Environmentalists

■ **Next steps:**

- PTI
- Geographic expansion
- Technology – OBD, hybrid vehicles