PC-10 Feasibility

Question:

Is it feasible to fund the matrix testing needed to develop the PC-10 Category as currently proposed with six new tests?

Assumptions

- 6 new PC-10 tests
- Average cost per test -- $100,000
- Two labs in the matrix
- 5 stands -- 2 stands Lab A
  3 stands Lab B
- 3 featured oils in the matrix
- Precision/BOI/VGRA necessary
- Tests needed – 28 to 40 tests per each new engine test

Calculations

- 6 new tests at $100,000 per test. $600,000 for one run in all new tests.
- $600,000 x 28 tests per engine test type -- $16,800,000 is the minimum total matrix cost – **Case A**
- $600,000 x 40 tests per engine test type -- $24,000,000 is the likely upper total matrix cost limit – **Case B**

Funding Splits

Case A – Total Matrix Cost $16,800,000
Case B – Total Matrix Cost $24,000,000

1) Each stakeholder (EMA, API, ACC) pays 1/3 of the total cost
   Case A: $5,600,000 for API and ACC each
   Case B: $8,000,000 for API and ACC each

2) EMA pays a fixed amount -- API and ACC split the balance
   EMA: $500,000
   Case A: $8,150,000 for API and ACC each
   Case B: $11,750,000 for API and ACC each

3) A scheme similar to PC-9
   - Labs donate tests for calibration, 3/2/2
   - EMA pays a fixed amount
   - API and ACC split the balance

Case A		**Case B**	
$16,800,000	Total Cost	$24,000,000	Total Cost
7,200,000	Labs	7,200,000	Labs
$9,600,000	Funding	$16,800,000	Funding
$500,000	EMA	$500,000	EMA
$9,100,000		$16,300,000	
$4,550,000	**API & ACC each**	**$8,150,000**	**API & ACC each**

4) Bare Bones – Precision only of 18 tests – Labs donate tests for calibration, EMA pays a fixed amount, and API and ACC split the balance

18 x $600,000 = $10,800,000	Total Cost
7,200,000	Labs
$3,600,000	Funding
500,000	EMA
$3,100,000	
$1,550,000	API and ACC each