

**Statement of David Quam  
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**Before the Subcommittee on Oversight of Government Management, the  
Federal Workforce and the District of Columbia, Committee on Homeland  
Security and Governmental Affairs**

**United States Senate**

**Understanding the Realities of Real ID: A Review of Efforts to Secure Drivers'  
Licenses and Identification Cards**

Chairman Akaka, Ranking Member Voinovich and distinguished members of the subcommittee, my name is David Quam and I am the director of federal relations for the National Governors Association (NGA). I appreciate the opportunity to appear before you today on behalf of NGA to discuss the issues surrounding implementation of Real ID.

Congress passed the Real ID Act (Real ID) as part of the Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief Act (P.L. 109-13). The law replaced section 7212 of the Intelligence Reform Act (P.L. 108-458), which established a negotiated rule making to determine national standards for state driver's license and identification cards (DL/IDs). NGA supported the compromise contained in section 7212 because it allowed stakeholders, including governors, to participate in the process of reforming what traditionally has been a state function.

Although the negotiated rulemaking already had begun, Real ID repealed the provision and replaced it with statutory standards, procedures and requirements that must be met if state-issued DL/IDs are to be accepted as valid identification by the federal government. Real ID's mandates will alter long-standing state laws, regulations and practices governing the qualifications for and the production and issuance of DL/IDs in every state. Complying with these new standards will require significant investments by states and the federal government and test the resolve of citizens who will be directly affected by changes to state systems.

To ensure states, Congress and the federal government understand the fiscal and operational impact of altering these complex and vital state systems, the American Association of Motor Vehicle Administrators (AAMVA), in conjunction with NGA and the National Conference of State Legislatures (NCSL), conducted a nationwide

survey of state motor vehicle agencies (DMVs). Based on the survey results NGA, NCSL and AAMVA issued a report in September 2006 concluding that Real ID will cost states more than \$11 billion over five years, have a major effect on services to the public and impose unrealistic burdens on states to comply with the act by the statute's May 2008 deadline. The report also identified key components of Real ID that will have the greatest impact on states and citizens and made specific recommendations for Congress and the Department of Homeland Security (DHS) to follow if Real ID is to succeed. A copy of the report can be found on the NGA website at [www.nga.org/Files/pdf/0609REALID.PDF](http://www.nga.org/Files/pdf/0609REALID.PDF).

### **Challenges presented by Real ID**

DHS formally published its notice of proposed rulemaking on Real ID on March 9, 2007. NGA and state stakeholders are closely reviewing the regulations and intend to participate actively in the rulemaking process. An initial review of the regulations suggests that while DHS incorporated several of the recommendations made by states, four requirements continue to present critical challenges for states: 1) the need to re-enroll all 245 million DL/ID holders over five years; 2) increased verification requirements for identification documents; 3) new document design mandates; and 4) changes to business and support practices that reduce efficiencies and customer service.

**1. Five-year re-enrollment.** States estimate the cost of re-enrolling all 245 million DL/ID holders into a Real ID system over five years will exceed \$8.4 billion. This standard will require an in-person visit by every current DL/ID holder, as well as new applicants, to review and verify all required identification documents and re-document information for the new license, including place of principal residence, new photographs and new signatures. Efficiencies from alternative renewal processes such as Internet and mail will be lost during the re-enrollment period, and states will face increased costs from the need to hire more employees and expand business hours to meet the five year re-enrollment deadline.

**2. Enhanced verification.** Real ID supplants traditional DMV vetting processes by requiring states to verify each identification document independently with its issuing agency. While the act contemplates the use of five national electronic systems to facilitate verification, currently only one of these systems is available on a nationwide basis. System development, programming, testing and training will require considerable time and resources that far exceed the deadlines or funds provided by the act or Congress.

**3. Document design requirements.** The act calls for states to incorporate certain information and security features into DL/ID cards. Although most states have

incorporated security features into their card designs, the proposed regulations call for adoption of certain mandatory security features along with establishing a performance standard based on adversarial testing. While preferable to a strict technology mandate, depending on the technology chosen, such a requirement could dictate DMV business practices by effectively requiring DMVs to move away from over-the-counter issuance systems and toward central issuance systems.

**4. New business practices.** Real ID will reduce efficiencies and increase wait times for citizens. To comply with the requirement that all DL/ID card holders re-verify their identity with the state, individuals must gather and present all their identification documents, which may more than double the length of time they spend at DMVs. Real ID also will effectively reverse state practices designed to ease an applicant's interaction with motor vehicle agencies (e.g., Internet, mail in renewal, over-the-counter issuance).

### **Recommendations for Congress**

Governors are committed to improving the security and integrity of state DL/ID systems, but the timelines and requirements mandated by Real ID and the proposed regulations remain unrealistic. In order to meet the objectives of the act, Congress and DHS should incorporate state recommendations to ensure the regulations and the statute provide adequate time for implementation, workable verification standards that use available technology, recognition of state innovations that meet the objectives of the act and adequate federal funding to implement the law's mandates.

**1. Provide adequate time.** There is widespread recognition that it will be impossible for states to comply with Real ID by the statutory deadline of May 2008. DHS has proposed granting states five years to enroll all citizens in a Real ID system, and allowing states to request extensions of the deadline by which states must begin issuing Real ID compliant documents. As mentioned above, re-enrollment of the population is a major logistical and financial obstacle for states. While the possibility of an extension on the start date is necessary – especially given the late release of the proposed regulations – failure to extend the end-date for enrollment correspondingly only will serve to maximize costs and hardships on states and citizens.

It also is impracticable for states to issue all 245 million DL/IDs in five years. The proposed regulations call for all applicants for new or renewed DL/IDs to present their original identification credentials in person by 2013. The 24 states with existing renewal periods greater than five years will need to accelerate their renewal process to meet the new timeline and motor vehicle offices will need to process an additional 30 million individuals during that time. The net effect will be an increase in DMV

workloads of 132 percent and a doubling of transaction times for renewals of licenses and identification cards.

Mandating that states re-enroll their entire population in a short time frame maximizes costs and minimizes the likelihood of successful implementation. Congress should alter the deadlines of Real ID to statutorily set the later of December 31, 2009 or the date two years after the publication of final regulations to begin issuing Real ID compliant DL/IDs; grant states a 10 year window in which to complete re-enrollment of all state DL/ID holders; and provide states with statutory flexibility to manage the re-enrollment process, including the ability to delay re-verifying certain populations and rely on certain federal identification documents as proof of verification.

**2. Allow for transition to electronic verification.** In its proposed regulations, DHS emphasizes that for states “to verify information and documentation provided by applicants, *each state must have electronic access to multiple databases and systems...Secure and timely access to trusted data sources is a prerequisite for effective verification of applicant data.*” (Emphasis added.)

The proposed regulations identify five systems that will be required to make Real ID work: Social Security On-Line Verification (SSOLV), Electronic Verification of Vital Events Records (EVVER), Systematic Alien Verification for Entitlements (SAVE), an all-drivers system run by the states to ensure an applicant is not licensed in another state and system run by the U.S. State Department to verify foreign passport information. Only SSOLV is fully operational on a national basis and even it will require enhancements to handle the volume anticipated under Real ID. The other systems are either not widely used, in the developmental or pilot phase, or do not exist.

Given the critical nature and uncertain availability of these systems, Congress should amend Real ID to specifically allow states to use existing verification practices until all necessary federal and state systems are fully operational and deployed.

**3. Encourage state innovation.** Several states have updated their systems to meet objectives similar to those of Real ID. The proposed regulations suggest DHS will rely heavily on state certification – an early recommendation of the states – as a major component for verifying state compliance with the act. What remains undeveloped is clear guidance as to what will be required of states and what milestones or standards DHS will set for certification. While the Secretary has shown a willingness to allow states to request a delay in issuing Real ID compliant documents, the lack of a similar extension to the 2013 end date, and the proposed requirement that all states submit a certification package by February 10, 2008, including “milestones, schedules, and

estimated resources needed to meet all the requirements of the rule,” suggests a lack of appreciation for the time required to transform these complex state systems.

Congress should assist states with implementation of Real ID by urging the Secretary to work in close consultation with states to expedite development of certification guidelines, establish a date for submission of state plans that is at least one year after publication of final regulations; and use his authority to offer extensions to states actively working to meet the objectives of the act.

**4. Provide sufficient funding.** State estimates place the projected cost of Real ID at more than \$11 billion over the first five years, including \$1 billion in up-front costs to create the systems and processes necessary to implement the law and re-enroll all 245 million DL/ID holders. The proposed regulations verify state projections. According to DHS, the total cost of Real ID will exceed \$23 billion over 10 years with more than 63 percent of the total cost being borne by states. These projected costs far exceed the Congressional Budget Office estimate of \$100 million or the \$40 million appropriated by Congress in 2005. Real ID is an unfunded federal mandate that violates the intent of the Unfunded Mandates Reform Act and should be paid for with federal dollars.

Congress should provide a specific authorization of funds to cover the costs of Real ID over the next 10 years and appropriate at least \$1 billion in fiscal year 2008 to fund the initial costs of implementing Real ID.

## **Conclusion**

Mr. Chairman, the nation’s governors want to work with Congress and DHS to enhance the security of state DL/ID systems. We all learned a bitter lesson on September 11<sup>th</sup>, one no one wants to repeat. States responded to those tragic events by beginning to improve their systems and increase the security surrounding their DL/ID process. Governors supported the reforms contained in the Intelligence Reform Act because they are dedicated to the safety and security of their citizens. Unfortunately, Real ID, in its current form, is unworkable. If the law is to serve its intended purpose, DHS should adopt final regulations and Congress should pass legislation and appropriate funds that are consistent with state recommendations. Only by working together will state and federal governments succeed in meeting the challenges presented by Real ID and making our driver’s license and identification systems more secure.