Department of Homeland Security

Regulatory Evaluation

Notice of Proposed Rulemaking

REAL ID

6 CFR Part 37

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Docket Number DHS-2006-0030

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Abbreviated Table of Contents

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List of Acronyms

AAMVA	American Association of Motor Vehicle Administrators
BLS	U.S. Bureau of Labor Statistics
CCD	Consolidated Consular Database
CDLIS	Commercial Driver License Information System
CHRC	Criminal History Records Check
COTS	Commercial Off The Shelf
CRBA	Consular Report of Birth Abroad
CSC	Customer Service Center
DHS	U.S. Department of Homeland Security
DL/ID	Driver's License and/or Identification card
DMV	Department of Motor Vehicles
DOS	U.S. Department of State
DOT	U.S. Department of Transportation
ECI	Employment Cost Index
EVVE	Electronic Verification of Vital Events
EVVER	Electronic Verification of Vital Event Records
FBI	Federal Bureau of Investigation
FPS	Federal Protective Service
FTE	Full time equivalent
GDP	Gross Domestic Product
ICE	Immigration and Customs Enforcement
MRT	Machine Readable Technology
MRZ	Machine Readable Zone
NAPHSIS	National Association for Public Health Statistics and Information Systems
NCSL	National Conference of State Legislatures
NGA	National Governors Association
NPRM	Notice of Proposed Rulemaking
OHPI	Office of Highway Policy Information, DOT
OMB	Office of Management and Budget
OTC	Over-the-counter issuance
PDDDI	Program Design, Development, Demonstration and Implementation
PDPS	Problem Driver Pointer System
PMO	Program Management Office
RFID	Radio Frequency Identification
SAVE	Systematic Alien Verification for Entitlements
SBA	Small Business Administration
SEVIS	Student and Exchange Visitor Information System
SOC	Standard Occupational Classification
SSOLV	Social Security Online Verification
TSA	Transportation Security Administration

USCIS	United States Citizenship and Immigration Services
USPS	United States Postal Service

Executive Summary

The Department of Homeland Security (DHS) has conducted a comprehensive, rigorous, and exhaustive Regulatory Evaluation of the benefits and costs of the proposed minimum standards for state-issued driver's licenses and non-driver identification cards pursuant to the REAL ID Act of 2005. Since these standards will impact the lives of approximately 240 million people and the operations of all 56 state and territorial jurisdictions, DHS is committed to an ongoing dialogue with all stakeholders on the benefits and burdens of the proposed regulation. This Regulatory Evaluation is the initial step in joint State, Federal, and public effort to improve the security and trustworthiness of driver's licenses and identification cards.

Assumptions

This Regulatory Evaluation covers the ten-year costs of REAL ID Program deployment and operations. This includes:

- **Year One** – State and Federal government program startup efforts prior to the statutory deadline of May 2008.
- **Years Two through Six** – the five-year implementation period ending in May 2013, by which time States must be in full compliance with the statute and regulation
- **Years Seven through Ten** – four years of program operation

Moreover, this Regulatory Evaluation is based upon five key assumptions and to the extent that any of these five assumptions are relaxed, then it is likely that the compliance costs may be lower.

1) That all States will comply with the regulation by the statutory deadline.

DHS recognizes that some States will be unable to comply by May 2008 and will file requests for extensions that may result in phased compliance implementation schedules that could mitigate some of the startup costs examined below. Hence, the costs allocated to the period prior to May 2008 – that is, program year one in this analysis – may be redistributed to subsequent years.

2) That all DL/ID holders will seek a REAL ID credential.

DHS anticipates some individuals may not need to access Federal facilities or fly on commercial airlines or may choose to use a passport or alternative form of photo identification for these purposes. To the extent that some people would not seek a REAL ID credential, then the compliance costs may be considered high.

3) That States will issue both REAL IDs and non-REAL IDs.

DHS anticipates that States will offer an alternative DL/ID (not acceptable for Federal official purposes) to those who are unwilling or unable to obtain a compliant one. Thus, this Regulatory Evaluation assumes that States will deploy a two-tier or multi-tier licensing system.

States instead may choose to issue only REAL ID compliant driver's licenses and identification cards, thereby reducing their operational and system costs.

4) That all IT systems will be functional by the statutory deadline.

DHS has calculated the costs assuming that all required verification data systems be operational and fully populated by May 2008. DHS is working to bring these systems online and up to standards as soon as possible and will work with the States to develop alternative procedures. Again, to the extent that these systems are not operational, then the discounted costs and benefits of the proposed rule may be lower.

5) State impact is not uniform due to progress already made in some States.

States that have already invested in improving the security of their licenses will have to invest far less per capita than states with less secure licenses and issuance processes. Those States that are more advanced would incur lower compliance costs than other States.

Costs and Benefits

It is impossible to quantify or monetize the benefits of REAL ID using standard economic accounting techniques. However, though difficult to quantify, everyone understands the benefits of secure and trusted identification. The proposed minimum standards seek to improve the security and trustworthiness of a key enabler of public and commercial life – state-used driver's licenses and identification cards. As detailed below, these standards will impose additional burdens on individuals, States, and even the Federal government. These costs, however, must be weighed against the intangible but no less real benefits to both public and commercial activities achieved by secure and trustworthy identification.

Economic Costs

The costs of the proposed rule are significant. Implementing the REAL ID Act will impact all 56 State and territorial jurisdictions, more than 240 million applicants for and holders of State DL/IDs, private sector organizations, and Federal government agencies. Figure 1 summarizes the estimated marginal economic costs of the proposed rule over a ten-year period.

Figure 1: Estimated marginal economic cost of REAL ID proposed rule

Estimated Costs (10 years)	$ million	$ million (2006 dollars)	% Total	% Total
	7% discounted	undiscounted	7% discounted	undiscounted
Costs to States	**$10,770**	**$14,600**	***62.5%***	**63.2%**
Customer Services	$5,253	$6,901	30.5%	29.9%
Card production	$3,979	$5,760	23.1%	24.9%
Data Systems & IT	$1,127	$1,436	6.5%	6.2%
Security & Information Awareness	$388	$471	2.3%	2.0%
Data Verification	$12	$18	0.1%	0.1%
Certification process	$10	$14	0.1%	0.1%
Costs to Individuals	**$5,991**	**$7,875**	**34.8%**	**34.1%**
Opportunity Costs (268.8 million hours)	**$5,401**	**$7,113**	**31.4%**	30.8%
Application Preparation (161.9 million hours)	*$3,243*	*$4,283*	*18.8%*	*18.5%*
Obtain Birth Certificate (26.5 million hours)	*$542*	*$700*	*3.1%*	*3.0%*
Obtain Social Security Card (15.8 million hours)	*$302*	*$418*	*1.8%*	*1.8%*
DMV visits (64.7 million hours)	*$1,315*	*$1,712*	*7.6%*	*7.4%*
Expenditures: Obtain Birth Certificate	**$590**	**$762**	**3.4%**	3.3%
Cost to Private Sector	**$7**	**$9**	***0.0%***	***0.0%***
Costs to Federal Government	**$451**	**$617**	**2.6%**	***2.7%***
Social Security card issuance	$349	$483	2.0%	2.1%
Data Verification - SAVE	$22	$32	0.1%	0.1%
Data Systems & IT	$63	$78	0.4%	0.3%
Certification & training	$17	$24	0.1%	0.1%
Total Costs	**$17,219**	**$23,101**	**100.0%**	**100.0%**

Figure 1 shows the primary estimates calculated in both undiscounted 2006 dollars and discounted dollars at a 7% discounted rate. Excluding the cost to individuals, primarily associated with obtaining documents, DHS estimates that the discounted cost of the proposed rule is $11.2 billion ($13.81 per issuance for each of the 813 million issuances over ten years) over ten years. The total discounted cost of the proposed rule, including the cost to individuals is $17.2 billion ($21.18 per issuance). The undiscounted costs are estimated at $15.2 billion ($18.73 per issuance), excluding the cost to individuals or $23.1 billion total ($28.41 per issuance). DHS acknowledges that an individual may have more than one application experience over a ten year period due to the expiration period or relocation between states.

States will incur the largest share of the costs as shown in Figure 1. More than 60 percent of the costs (discounted or undiscounted) are associated with providing customer services and card production. Over 30 percent of the costs (discounted or undiscounted) are categorized as costs to individuals and are associated with preparing applications and obtaining necessary documents.

Several factors influence the high cost of this proposed rule. First, this rule is assumed to affect 56 jurisdictions and 240 million license holders. This regulatory evaluation assumes that every license holder will acquire a REAL ID. Second, many individuals will not have their required documents when they need them. Again, the regulatory evaluation realistically assumes that many individuals will need to find the appropriate documents. Third, individuals will need to renew their licenses periodically. DHS does not foresee any way to significantly lessen the 813 million issuances over the next ten years.

Estimated Benefits

The proposed REAL ID regulation would strengthen the security of personal identification. Though difficult to quantify, nearly all people understand the benefits of secure and trusted identification and the economic, social, and personal costs of stolen or fictitious identities. The proposed REAL ID NPRM seeks to improve the security and trustworthiness of a key enabler of public and commercial life – state-issued driver's licenses and identification cards.

The primary benefit of REAL ID is to improve the security and lessen the vulnerability of federal buildings, nuclear facilities, and aircraft to terrorist attack. The rule would give states, local governments, or private sector entities an option to choose to require the use of REAL IDs for activities beyond the official purposes defined in this regulation. To the extent that states, local governments, and private sector entities make this choice, the rule may facilitate processes which depend on licenses and cards for identification and may benefit from the enhanced security procedures and characteristics put in place as a result of this proposed rule.

DHS provides a rough "break-even" analysis based on the rule having an impact on the annual probability of the U.S. experiencing 9/11 type attacks in the 10 years following the issuance of the rule. DHS believes that the probability and consequences of a successful terrorist attack cannot be determined for purposes of this benefit analysis. However, for the purposes of this analysis, it is not necessary to assume that there is a probability of being attacked in any particular year. Setting a probability for a successful attack is not necessary for this analysis, so long as we make some admittedly tenuous assumptions about the costs of attack consequences, to determine the reduction in probability of attack that REAL ID would need to bring about so that the expected cost of REAL ID equals its anticipated security benefits. Since it is exceedingly difficult to predict the probability and consequences of a hypothetical terrorist attack, DHS instead provides an answer to the following question: what impact would this rule have to have on the annual probability of experiencing a 9/11 type attack in order for the rule to have positive quantified net benefits. This analysis does not assume that the U.S. will necessarily experience this type of attack, but rather is attempting to provide the best available information to the public on the impacts of the rule. This analysis is preliminary, and DHS specifically requests comments on the methodology used in this discussion, and the types of additional security incidents this rulemaking may impact. DHS is also continuing to develop this analysis for the final rule.

In summary, if these requirements lowered by 3.60% per year the annual probability of a terrorist attack that caused immediate impacts of $63.9 billion (which is an estimate of the immediate impact incurred in the 9/11 attack and might be considered a lower bound estimate), the quantified net benefits of the REAL ID regulation would be positive. If these requirements lowered by 0.61% per year the annual probability of a terrorist attack that caused both immediate and longer run impacts of $374.7 billion (which is an estimate of the immediate and longer run

impacts incurred in the 9/11 attack and might be considered an upper bound estimate), the quantified net benefits of the REAL ID regulation would be positive.

The potential ancillary benefits of REAL ID are numerous, as it would be more difficult to fraudulently obtain a legitimate license and would be substantially more costly to create a false license. These other benefits include reducing identity theft, unqualified driving, and fraudulent activities facilitated by less secure driver's licenses such as fraudulent access to government subsidies and welfare programs, illegal immigration, unlawful employment, unlawful access to firearms, voter fraud, and possibly underage drinking and smoking. DHS assumes that REAL ID would bring about changes on the margin that would potentially increase security and reduce illegal behavior. Because the size of the economic costs that REAL ID serves to reduce on the margin are so large, however, a relatively small impact of REAL ID may lead to significant benefits.

Regulatory Summary

Changes to Federal regulations must undergo several economic analyses. A summary of the required analyses follows. A detailed regulatory impact analysis has been prepared as a separate document and is available for review in the docket.

First, Executive Order 12866, Regulatory Planning and Review (58 Fed. Reg. 51735, October 4, 1993), directs each Federal agency to propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996) requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (19 U.S.C. 2531-2533) prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. Fourth, the Unfunded Mandates Reform Act of 1995 (UMRA, 2 U.S.C. 1531-1538) requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of $100 million or more annually (adjusted for inflation).

Although Congress recognized that States will have to expend monies in order to comply with REAL ID , it explicitly stated that the REAL ID Act is binding on the Federal government, and not the States. Moreover, by its terms, UMRA does not apply to regulations "necessary for the national security" and those which impose requirements "specifically set forth in law." Thus, as a matter of law, the UMRA requirements do not apply to this proposed rulemaking even though States will be expending resources. However, the analyses that would otherwise be required are similar to those required under Executive Order 12866, which have been completed and may be found throughout this regulatory evaluation.

Executive Order 12866 Assessment

DHS has determined that this rule will have an impact of over $100 million and that it raises novel or complex policy issues. Accordingly, this rule is significant under Section 3(f)(1) of Executive Order 12866 and therefore has been reviewed by the Office of Management and Budget.

DHS has assessed the costs, benefits and alternatives of the requirement proposed under this rule. This document is a complete regulatory impact assessment, as required under Executive Order 12866 and OMB Circular A-4. The details of the estimated costs and benefits, including potential ancillary benefits realized by the requirements proposed in this rule, follow the A-4 Accounting Statement.

Accounting Statement

DHS has determined that the proposed rule is significant as its estimated annual impacts would exceed the $100 million threshold. Further, because annual costs will likely exceed $1 billion in at least one year, DHS has also estimated its impact on the overall economy. DHS has prepared an accounting statement showing the classification of expenditures associated with the NPRM.

Figure 2: OMB A-4 Accounting Statement (all amounts in millions of 2006 dollars)

Agency/Program Office: DHS
Rule Title: Minimum Standards for Driver's licenses and Identification Cards Acceptable to Federal Agencies for Official Purposes
RIN#: RIN 1601-AA37
Date: 28 February 2007

Category	Primary Estimate		Minimum Estimate		High Estimate		Source
Benefits							
Monetized Benefits	None		None		None		RIA
Annualized quantified, but unmonetized, benefits	None		None		None		RIA
Unquantifiable Benefits	The primary benefit of REAL ID is to incrementally increase U.S. national security by reducing the vulnerability to criminal or terrorist activity of federal buildings, nuclear facilities, and aircraft.						RIA
Costs							
Annualized monetized costs (discount rate appears to the right)	$2,452	7%	$1,294	7%	$3,209	7%	RIA
	$2,375	3%	$1,252	3%	$3,111	3%	RIA
	$2,311	0%	$1,217	0%	$3,028	0%	RIA
Annualized quantified, but unmonetized, costs	None		None		None		RIA
Qualitative (unquantified) costs	None		None		None		RIA
Transfers							
Annualized monetized transfers: "on budget"	$40 million in grants, of which $6 million has already been awarded to two States ($3 million each).						None
From whom to whom?	The Department of Homeland Security may provide grants to States at its discretion. $3 million each already awarded to New Hampshire and Kentucky						None
Annualized monetized transfers: "off-budget"	None		None		None		RIA
From whom to whom?	None		None		None		None
Miscellaneous Analyses/Category							
Effects on State, local, and/or tribal governments	$14,600 over 10 years, undiscounted or $10,770 discounted at 7%. On an annualized basis, the cost is $1,533 at 7%. DHS assumes 100% voluntary compliance.		$7,394 over 10 years, undiscounted or $5,464 discounted at 7%. On an annualized basis, the cost is $778 at 7%. DHS assumes 100% voluntary compliance.		$17,363 over 10 years, undiscounted or $12,753 discounted at 7%. On an annualized basis, the cost is $1,816 at 7%. DHS assumes 100% voluntary compliance.		RIA
Effects on small businesses	None		None		None		RIA
Effects on wages	None		None		None		None
Effects on growth	Not measured		Not measured		Not measured		RIA

I. Introduction

State-issued driver's licenses and ID cards (DL/IDs) are the most common form of identification used in the United States. Originally, driver's licenses were used only to show that a person had been granted the privilege to drive. Technically, that is still their principal purpose; however, their use has evolved over time. Today, typical uses of DL/IDs include:

- Evidence that the holder has driving privileges;
- Identity verification;
- Age verification;
- Address verification, and;
- Automated administrative processing (e.g. populating police reports, state government databases, etc.).

Both the United States Congress and DHS are interested in ensuring that state-issued DL/IDs can be relied upon as valid evidence that the holder is who they say they are. Because they are so widely accepted, DL/IDs have become the target of nefarious people. Falsified identification documents can be used to steal individuals' identities or to establish false identities. The former can result in significant harm to the individual (e.g. one's credit report). The latter can result in significant harm to the public-at-large if used to skirt security procedures. To address concern over the security of DL/IDs, DHS is proposing minimum standards for state-issued driver's licenses and non-driver identification cards to implement the REAL ID Act passed by Congress. [1]

This document describes the current state of DL/ID issuance in the 50 States and the District of Columbia, hereafter referred to as the 51 States. (Sufficient data to estimate the effects in the remaining five Territories was not available.) It also describes the proposed minimum standards and the marginal economic cost of implementing those standards. Although the regulatory evaluation attempts to mirror the terms and wording of the regulation, no attempt is made to precisely replicate the regulatory language and readers are cautioned that the actual regulatory text, not the text of the evaluation, is binding.

The following analysis begins by describing the parts of the DL/ID issuance process that would be affected by the proposed regulation. Largely, the affected areas are:

1) identity related pieces of the application;
2) increased workloads due to:
    a. increased in-person transactions during the proposed phase-in period;
    b. reduced validity period in States where licenses are currently valid for more than eight years, and;
    c. increased processing time for certain types of applications;
3) verification of source documents;
4) card production and issuance;
5) data and IT systems within States and connectivity with other DMVs;
6) physical security of production materials and locations, and;

[1] *REAL ID ACT of 2005*. Public Law 13, 109th Cong., 1st sess. (May 11, 2005), 201, 202.

7) DMV reporting requirements.

Following the description of the status quo is a brief qualitative synopsis of the proposed regulation and its likely effects. The following section describes, in detail, the estimated ten-year costs of the proposed rule. After the discussion of costs is a discussion of the benefits of the proposed regulation. The document then presents the other required regulatory analyses including an Initial Regulatory Flexibility Assessment, an International Trade Impact Analysis, and an Unfunded Mandates Analysis. The final section is a list of requests for comments and data regarding the analysis.

II. Status Quo

This section describes the baseline processes that would be affected by the proposed regulation. The description of the status quo at State DMVs relies heavily upon surveys conducted by the American Association of Motor Vehicle Administrators (AAMVA). As of mid-August 2006, DHS has the results of two surveys—one conducted in 2005 and one conducted in 2006. AAMVA has conducted a second survey in 2006 but is in the process of compiling the responses. DHS requests that, once completed, AAMVA send the results and responses to DHS so that DHS may have a more thorough understanding of the baseline for each State DMV. Additionally, data is not available for Puerto Rico, the Virgin Islands, the Northern Marianas and Guam. Information provided by American Samoa directly to DHS and via AAMVA's first survey of 2006 suggests that their processes are substantially different from those of the 50 States and the District of Columbia. DHS could not make a determination on how well their process represents the processes in the other Territories. Consequently, the description of the status quo omits the processes in the Territories. DHS specifically requests quantitative and qualitative descriptions of the baseline DL/ID processes in each Territory. For a complete list of requested data, see the "Requests for comments and data" section on page 141.

II.A. Use of identity documents

Every day a multitude of documents are used to establish people's identities for a multitude of purposes. Those purposes can range from purchasing products with age restrictions to boarding commercial aircraft to entering nuclear power plants. The list of acceptable documents is different for nearly every purpose. Further, depending on the purpose, the list of acceptable documents may vary from one location or facility to another (e.g. some Federal courthouses require a photo ID while others do not require identification at all). State-issued DL/IDs are the most commonly used credential but may be substituted by a passport, student ID, birth certificate, employee badge, etc. depending on the purpose for which it is used.

II.B. Population

State-issued driver licenses and identification cards (DL/IDs) are held by the vast majority of Americans over the age of 16. In 2005 there were roughly 241 million DL/IDs on file at State

DMVs. DHS projects that, under the status quo, this number would grow to nearly 268 million by 2016. (See Figure 3.) To project the number of DL/IDs on file, DHS calculated the ratio of DL/IDs on file, as reported in AAMVA's first survey of 2006, to the resident population age 16+ of each state. For years 2006 through 2017, DHS multiplied the Census Bureau's resident population age 16+ projection by the ratio of DL/IDs to population from 2005 for each state. (For more details, see Appendix A.)

Figure 3: Projected DL/IDs on file under the status quo (millions)[2]

Year	DL/IDs on file	DL/ID holders	Excess DL/IDs
2005	240.7	225.0	15.70
2006	243.6	227.7	15.93
2007	246.4	230.3	16.16
2008	249.1	232.7	16.39
2009	251.7	235.1	16.61
2010	254.2	237.4	16.83
2011	256.6	239.6	17.04
2012	258.9	241.7	17.25
2013	261.1	243.7	17.47
2014	263.3	245.7	17.68
2015	265.5	247.6	17.90
2016	267.8	249.7	18.12

When examining the data, DHS observed that some States have more DL/IDs on file than they have residents age 16+. The Federal Highway Administration's Office of Highway Policy Information (OHPI) has made the same observation on data they collect annually.[3] They provide four possible causes of this irregularity:

1) when drivers move from one state to the next they may not terminate their first DL/ID so it remains on file until it expires;
2) some people obtain their DL/ID in a state other than their state of legal residence;
3) some DL/IDs are fraudulently obtained, and;
4) expired licenses and licenses of the deceased are not purged on a continual basis.

By limiting the DL/ID to population age 16+ ratio of each state to one, DHS estimates that in 2008 nearly 233 million people will hold a DL/ID. That number will grow to nearly 250 million by the year 2016. (For more on the methodology, see Appendix A.) These estimates still represent an upper boundary because many states' ratios were less than one but may have over-counted via one of the four ways identified by the OHPI. Subtracting the number of people holding a DL/ID from the number of DL/IDs on file provides an estimate of the excess DL/IDs on file. In 2008, there will be an estimated 16.4 million extra DL/IDs on record. DHS estimates that, if trends continue, there will be over 18 million excess DL/IDs on file with State DMVs by 2016.

[2] Projections based on data from the US Census Bureau and data from AAMVA's first survey of 2006. See **Appendix A** for more information.

[3] U.S. Department of Transportation. Federal Highway Administration. *Highway Statistics 2004*. Jan 13, 2006. Available at < http://www.fhwa.dot.gov/policy/ohim/hs04/dlinfo.htm>. Accessed Jan 15, 2006.

DHS has also estimated the number of annual issuances under the status quo. The analysis divides issuance into three major types of issuance: initial (e.g. turning 16, moving to a new state); renewal (e.g. naturally expiring DL/ID), and; other re-issuance (e.g. lost and stolen, reinstatements, other non-initial issuances). To calculate projected re-issuances under the status quo, DHS used the 2005 weighted average of States' ratios of each re-issuance type to DL/IDs on file. Initial issuances were calculated by using the 2005 ratio of initial issuances to the estimated population age 16+ (calculated by state then summed). This results in the initial issuances including domestic migration in addition to population growth. This method estimates that, under the status quo, issuance will grow steadily over time and that there will be nearly 797 million DL/ID issuances from 2008 through 2016. (See Figure 4.) Note that many people will have more than one DL/ID issued to them during this period due to expirations, changing state of residency and lost/stolen DL/IDs.

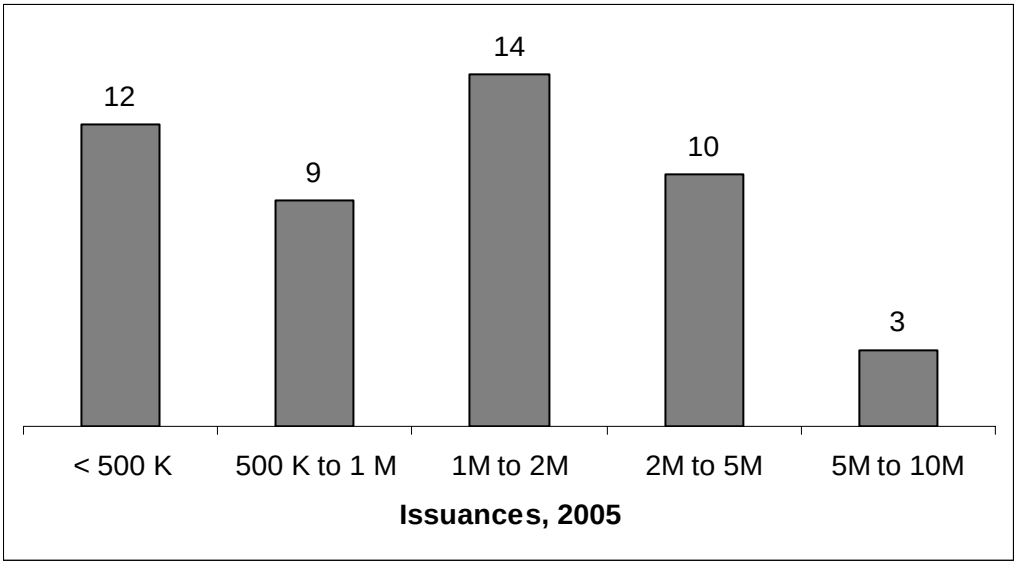
Figure 4: Projected DL/IDs issuances under the status quo (millions)[4]

	Re-issuances			Initial	
Year	Renewals	Other	Subtotal	issuances	Total
2005	40.8	22.9	63.7	18.6	82.3
2006	41.3	23.2	64.4	18.9	83.3
2007	41.7	23.4	65.2	19.1	84.3
2008	42.2	23.7	65.9	19.4	85.2
2009	42.6	23.9	66.5	19.6	86.1
2010	43.0	24.1	67.2	19.8	87.0
2011	43.4	24.4	67.8	20.0	87.8
2012	43.8	24.6	68.4	20.2	88.6
2013	44.2	24.8	68.9	20.4	89.4
2014	44.5	25.0	69.5	20.6	90.2
2015	44.9	25.2	70.1	20.9	90.9
2016	45.3	25.4	70.6	21.1	91.7
Total (2008-2016)	393.9	221.0	614.9	182.0	**796.9**

Considering total national issuances does not speak to the distributional effects among States resulting from changes in the DL/ID issuance process. Different practices have developed in States due, in part, to the differences in populations that they serve. States with relatively small populations cannot absorb substantial fixed costs as easily as larger States because they have fewer DL/ID holders across which to spread those costs. On the other hand, large States are more sensitive to small increases in variable costs because they are incurred for more DL/ID holders. Small impacts on processing time or unit card costs can have large budgetary implications for States processing millions of transactions. This, in part, explains why some states, like California, Florida, Texas and New York, have made large efforts to maximize efficiency in their business processes. Of the 48 responding states, three States issued more than 5 million DL/IDs, 10 States issued between 2 and 5 million, 14 States issued between 1 and 2 million, 9 States issued between 500,000 and 1 million and 12 States issued fewer than 500,000 DL/IDs in 2005. (See **Figure 5 below**.)

[4] Projections based on data from the US Census Bureau and data from AAMVA's first survey of 2006. See **Appendix A** for more information.

Figure 5: Count of responding States by total issuances, 2005[5]



II.C. Applications

This section speaks to the necessary steps to successfully submit an application for a DL/ID. Before heading to the DMV, applicants must be aware of the requirements to complete a successful application. States also have an interest in educating applicants as it minimizes the number of repeat trips that they must process. Applicants must gather any source documents required by DMVs. Filing in-person often requires applicants to enter a queue before meeting with a DMV representative. DMVs must choose appropriate staffing levels to process the workload. States may adjust their workload by allowing renewal applicants to file remotely or by lengthening the validity period of their DL/ID.

II.C.1. Pre-enrollment

In order to efficiently facilitate the transactions at the DMV offices, States have conducted various information campaigns. Some States mail information to DL/ID holders who are approaching the expiration date of their credential. Each of the States and the District of Columbia have established websites that provide applicants with important information. While DHS cannot attest to the currency of any individual state's website, they tend to be up-to-date and informative. Most websites will provide information on how to apply for a new DL/ID (initial or transferring from another jurisdiction), the necessary source documents, the validity period of the DL/ID, any necessary fees, DMV locations and other relevant information. It is important to DMVs that their customers know beforehand what is expected of them and what they can expect at the DMV. For instance, if an applicant does not have the source documents required by the

[5] Based on data from AAMVA's first survey of 2006.

state, they have not only wasted their own time but they have taken time from the DMV staff that could have been used on someone who was prepared for their transaction. The fewer the trips an applicant must make to the DMV the better for all parties involved.

Not only must an applicant know what documents and other materials to bring to the DMV, the applicant also needs to collect and prepare those materials. On average, applicants provide three identity documents for an application, not including documentation for social security number (SSN), address or ability to drive.[6] States have differing requirements for source documents. It takes a different amount of effort, in terms of time and money, to obtain each document. For example, applying for an initial or duplicate Social Security Card may take substantially longer than placing a request to another state for a certified driving record. Further, online and in-person renewals only requiring presentation of the expiring credential may require little pre-enrollment effort. Such transactions significantly decrease the average time and money spent to prepare for application. For estimates on the cost of obtaining certain identity source documents, see Appendix B.

II.C.2. Queuing

Holders of state-issued DL/IDs are no strangers to queuing. Historically, DMVs have been known for long lines. For instance, one survey conducted by a State DMV found that of timeliness, accuracy, helpfulness, expertise and information, timeliness consistently had the lowest customer satisfaction.[7] Recently, however, many States have made a particular effort to transform their business processes to shorten wait times so as to improve customer satisfaction. The length of the queue depends upon:

- the number of transactions that must be done in person;
- the average amount of time per transaction, and;
- the number of staff used to process the transactions at a given time.

Holding all else constant, reductions in the first two will reduce wait times. Typical strategies to accomplish this include allowing remote transactions, increasing the life-cycle of the credential, improved education of applicants and staff, and adjustments to the business processes that produce efficiency gains. As the third variable, staffing levels at a given time, increases, the average wait time should decrease. Wait times will vary from state to state and even day to day. The Department found publicly available data from a handful of States concerning wait times at DMVs. The average wait time was 25.8 minutes in the nine States for which data were available. (See Figure 6.) The Department requests the most recent average wait time data from State DMVs.

[6] AAMVA. First survey of 2006.
[7] State of Oregon. Driver and Motor Vehicle Services. *Presentation on Customer Satisfaction Surveys*. Apr 13, 2005. Available at <http://egov.oregon.gov/DAS/OPB/docs/kpm/NCCI/041305_ODOT_Comparison.doc>. Accessed Nov 10, 2005.

Figure 6: Average DMV wait times[8]

State	Average (min.)	Date measured
Alaska	20.3	FY2001
California	21	Jan-05
Colorado[9]	34.6	Feb-05
New Mexico[10]	21	CY2005
Nevada[11]	60	Sep-04
Oregon	13.6	CY2003
Virginia	25.97	Apr-06
Vermont	10.25	FY2004
Mean	25.8	
Variance	244.8668	
Stand Dev	15.648221	

II.C.3. Customer Service

In AAMVA's first survey of 2006, 45 States reported having a combined 28,000 FTEs that are directly involved with the issuance process of DL/IDs. Of these, nearly 27,000 work in field locations and 1,700 work in headquarter locations. [12]

The employment data is insufficient to allow extrapolation to the remaining States. DMV employees may have varying functions between states. In some they may only process DL/IDs while in others they may also process vehicle registrations or other typical DMV functions. Other States use county court houses and their staff to issue DL/IDs. DHS is unable to determine the percent of time that these employees spend processing DL/IDs. DHS welcomes comments or data regarding the number of staff directly involved in the DL/ID process.

II.C.4. Acceptable source documents

States aim to ensure that an applicant is who they say they are. To that end, they require documentation that substantiates the applicants' biographic claims (name, date of birth, address,

[8]Except as noted, data from DMV websites. Accessed Jun 5, 2006.
[9] Couch, Mark P. *Lines at DMV Drive Public to Distraction*. The Denver Post. Jun 15, 2005. Available at <http://www.repmorgancarroll.com/?Representative_Carroll_in_the_News:Lines_at_DMV_Drive_Public_To_Distraction>. Accessed Jun 5, 2006
[10] AAMVA Member News Archives: March 2006. Available at <http://www.aamva.org/newsandalerts/newsarchives/mem2006_03.asp?ct=all&qu=Member%20News%20Archives&st=f&action=search#New%20Mexico%20MVD%20Continues%20to%20Improve%20Customer%20Service>. Accessed Jun 5, 2006
[11] Nevada DMV reports: "Wait times in the Las Vegas offices now average slightly less than one hour. The wait at the Galletti Way office in Reno is now averaging about 65 minutes. The department's overall goal is to reduce wait times to one hour or less at all times." From: Nevada Department of Motor Vehicles. *DMV Adds New Conveniences*. Sep 22, 2004. Available at <http://www.dmvnv.com/news/04-111.htm>. Accessed Jun 5, 2006
[12] AAMVA. First survey of 2006.

etc.). In a survey conducted by AAMVA, States reported that, on average, an applicant produces three documents to verify their identity. [13] The practice of documenting biographic information varies between the states. Each jurisdiction has its own list of acceptable documents. Examples include birth certificates, passports, tribal documents, high school photo albums, baptismal certificates, immigration documents and many others. Birth certificates are the most common identity source document presented by DL/ID applicants.[14] There are two reasons that some States have extensive lists of acceptable documents. First, the state is trying to ensure that all of its residents can meet the requirements to obtain a DL/ID. (Roughly 20 to 25 percent of the US population has a passport and some citizens may not have a birth certificate on hand.) Second, it requires less effort to forge one document than it does multiple documents, holding all else constant; States have more confidence that an applicant is who they say they are if they can produce more documentation to substantiate their claim. However, States have more confidence in some documents than in others, which results in States creating systems where they are willing to make a trade-off between the number of documents required and the relative confidence they have in those presented. The two most prevalent practices are a point or value system and dividing documents into primary and secondary categories.

One practice is to assign each document a numeric value. Under such a system the applicant must bring enough documents that the sum of their numeric values meets some minimum threshold. For instance, a state may require the point values be at least 10 to satisfy their requirement. [15] If they have assigned an unexpired U.S. passport a value of 10 points, the applicant would not need further documentation of identity. However, if the applicant only has an expired passport and the state values it at seven points, the applicant would need additional one or more documents worth three points. Perhaps they could bring their baptismal certificate for one point and a voter registration card for two points. Together, these three documents would meet the requirements set by the state.

A second, common practice among States is to divide the documents into two lists—primary and secondary documents. The primary document lists include the documents that States have relatively more confidence in. Conversely, the second list includes documents that the States believe are acceptable but need to be accompanied by other documentation. For instance, U.S. passports are usually on the primary list while utility bills typically appear on the secondary list. States may include an ID that they issued on the primary list and IDs issued by other States on their secondary list. The requirements for how many documents must be presented vary from state to state. In some states, one primary document is sufficient. In other states, presentation of one primary document is necessary but not sufficient. These States require another primary document or at least one secondary document. In others still, an applicant can substitute two secondary documents for the primary.

State DMV websites indicate that only eight States currently require applicants to bring their social security card as evidence of their SSN. [16] The remaining States have widely varying practices regarding what documents are acceptable for this purpose. The list of acceptable SSN

[13] Ibid.
[14] AAMVA. *Electronic Verification of Vital Event Records: Final Report*. 2005.
[15] The points assigned per document here are for purposes of example only.
[16] State DMV websites. Accessed Jun 26, 2006.

documentary evidence in nine States requires a relatively higher level of effort on the part of applicants. Such "high effort" documents are either restricted to highly specific sub-sets of the general population (e.g. social security benefit forms, prison release papers, military IDs etc.) or are other government-certified forms (e.g. certified tax returns). Eight States accept a list of documents that requires relatively little effort by applicants. These "low effort" documents are typically available to most people age 16+ and often include the following provided that they show the holder's SSN: payroll documents (e.g. pay stubs, W-2's, etc.); uncertified tax returns; medical insurance cards; student records, etc. Finally, 26 State DMVs do not require any evidence of SSN. Some of these DMVs encourage applicants to bring their social security card but do not require they do so. Others only require that the number be provided on the application.

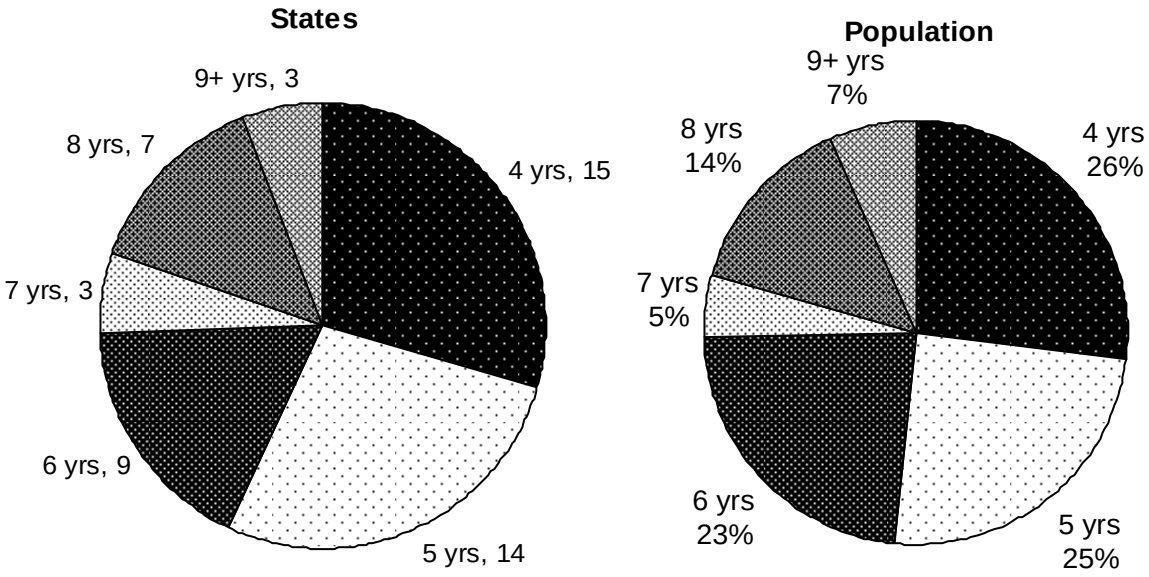
States generally, though not always, require applicants to provide an address. The specific requirements vary from state to state. Some States require that the applicant be domiciled within the state; others require that applicants have an address within the state. Though a subtle difference, it has had large implications for residents who live near a state border and who's US Post Office, and thus address, is in a different state. States also have different processes for protecting the addresses of people considered to be at-risk. For example, victims of domestic violence, judges and police officers may be exempt from address requirements in the application process. Some States extend this exemption to those without a permanent fixed address or residence (e.g. people traveling and living in motor-homes, homeless people, etc).

II.C.5. Validity Periods

States use a variety of validity periods for their documents. Twenty-nine states, which account for 51 percent of the DL/ID population, issue DL/IDs that are valid for a period of five years or less.[17] (See Figure 7.) Only three states, accounting for seven percent of the DL/ID population, have DL/IDs that are valid for more than eight years. In some states, all credentials have the same period of validity while in others it differs between documents. For example, some States issue IDs that never expire to people over the age of 65. Other States offer prolonged validity periods to veterans, the blind, mentally ill or physically handicapped. State responses to the AAMVA survey did not indicate the distribution of DL/ID holders among different validity periods within a state. This could potentially have an impact on the temporal distribution of phase-in issuances under the proposed REAL ID rule and may affect the anticipated renewal cycle for some individuals; however, DHS believes these effects would be minimal and requests comments and data from State DMVs regarding this issue.

[17] Validity period data from AAMVA's first survey of 2006. If no response was provided, the data were pulled from state websites.

Figure 7: Distribution of States and DL/ID population by typical DL validity period[18]



II.C.6. Remote re-issuance

AAMVA reports that 40 States indicated that they have a remote issuance process that allows DL/ID holders to remotely apply for re-issuance of their credential.[19] Remote methods are used by some States for applications for renewal, replacing lost or stolen DL/IDs or reinstatement of driving privileges. Of those 40 states, 21 use the internet, 36 use the mail, 6 use the telephone and 2 use other methods to allow remote transactions. State websites indicate that 27 of the states, accounting for nearly two-thirds of the DL/ID population, allow remote renewals for their civilian populations. The remaining States offer this option only to members of the military on active duty.

The advantage of remote renewals is a significant cost reduction to the state and decreased frustration to the renewal applicant. By having fewer people in person at the DMV, staffing needs and total wait times (including the people renewing remotely) are lower. However, remote renewals are typically less secure than in-person processes for two reasons. First, requiring the renewal applicant to appear in person provides an opportunity to authenticate their identity (e.g. ensure that the person receiving the renewed DL/ID is the original credential holder). Second, an in-person process allows the DMV to update the photograph included on the DL/ID.

[18] State websites. Responses to the first AAMVA survey of 2006 indicate that approximately 82 percent of the population lives in a state offering an alternative issuance method. However, some of these States only offer alternative issuance to deployed military personnel. The data in Figure 8 reflect the population living in States that offer remote renewals to their civilian population.
[19] AAMVA's analysis of their first survey of 2006.

Consequently, DMVs that allow remote renewals may require that applicants appear in person periodically (e.g. every other renewal).

DHS has estimated the baseline distribution of issuances between in-person and remote methods based upon 2005 data from AAMVA's first survey of 2006. From 2008 through 2016, there will be an estimated 732 million in-person DL/ID transactions and an estimated 64.6 million remote issuances. (See Figure 8.) This estimate is based on states' 2005 weighted average ratio of remote issuances to states' total re-issuances, which is 10.5 percent. After calculating the portion of re-issuances done in-person, DHS added all of the initial issuances to produce the total number of in-person transactions. In reporting the responses to its first survey of 2006, AAMVA calculates that 7.98 percent of all transactions were completed using remote issuance. For the baseline, the difference in methodologies is minimal. However, when estimating in-person versus remote issuances during the phase-in period of the proposed REAL ID regulation the two methodologies produce substantial differences. DHS believes that, of the two, its estimate better reflects the issuance distribution because the remote issuance estimate does not rely upon initial issuances, which cannot be done remotely.

Figure 8: Baseline estimate of in-person and remote renewals (millions)[20]

Year	Total issuances	Initial issuances (in-person only)	Total re-issuances	% via remote issuance	Total in-person issuances	Total remote issuances
2008	85.2	19.4	65.9	10.5	78.3	6.9
2009	86.1	19.6	66.5	10.5	79.1	7.0
2010	87.0	19.8	67.2	10.5	79.9	7.1
2011	87.8	20.0	67.8	10.5	80.7	7.1
2012	88.6	20.2	68.4	10.5	81.4	7.2
2013	89.4	20.4	68.9	10.5	82.1	7.2
2014	90.2	20.6	69.5	10.5	82.9	7.3
2015	90.9	20.9	70.1	10.5	83.6	7.4
2016	91.7	21.1	70.6	10.5	84.3	7.4
Total	796.9	182.0	614.9		732.3	64.6
AAMVA methodology				7.98	733.3	63.6

II.C.7. Front-end application processing

Typically, States receive the application package and manually enter data into their front-end computer. DMVs employ different software that is used to guide the counter agent through the process of obtaining any needed information. The software also populates the state databases. While similar in these respects, the process itself may vary greatly from state to state. For example, if a state uses over-the-counter (OTC) issuance, they may be more likely to use real-time verification of the SSN. However, States using a central issuance system typically use batch

[20] Based on data from AAMVA's first survey of 2006. Remote issuances are only reported at the national level in AAMVA's summary. Re-issuances are reported at the state level in the responses.

verification. A state's SSN verification method may largely dictate the turn-around time from application submission to the applicant's receipt of the credential.

II.D. Verification

DHS was able to identify four States that generally require that source documentation be verifiable with the issuing agency.[21] However, that is not to say that they universally require that the documents be verified. A few States do systematically verify an applicant's source documents, when possible. More States will verify documents under specific (e.g. suspicious) circumstances. The following section discusses states' practices under the status quo.

II.D.1. Identity, lawful status and SSN

The vast majority of States do not verify identity source documents. Rather, they use the multitude of required documents to validate an individual's identity. However, some States have begun to verify certain identity source documents presented by applicants.

In order to verify birth certificates, AAMVA has teamed with the National Association of Public Health Information Systems (NAPHSIS) to pilot test the use of the Electronic Verification of Vital Event Records (EVVER) system. (Electronic Verification of Vital Events (EVVE) is the NAPHSIS based system linking state vital records offices. EVVER is the system used by State DMVs to interface with EVVE.) The EVVER system can be used to connect to systems that verify information contained on a birth certificate with the issuing state vital records agency. In a pilot program, NAPHSIS had eight vital records offices and SSA offices in 26 States utilizing the system. As of January, 2006, two State DMVs and five vital records offices continued to participate.[22] Because EVVE has not been nationally implemented, DMV verifications using EVVER are limited to those individuals who are from EVVE- participating States and whose birth certificates were uploaded into the EVVE system.

States generally accept unexpired U.S. Passports. However, States do not currently employ systematic verification of these documents with the Department of State. As with the other documents, the DMV may verify passports that it considers questionable.

During 2005, 14 States used U.S. Citizenship and Immigration Service's Systematic Alien Verification for Entitlements (SAVE) application to verify the lawful status of foreign-born people (e.g. non-immigrants, immigrants and naturalized citizens) applying for DL/IDs.[23] Nationally, the number of SAVE verifications was 1.35 percent of all DL/ID issuances. SAVE program data indicates that nine States completed verifications for the entire 2005 calendar year. (Four States began using SAVE at some point during the year and one state stopped verifying documents during the year.) About half of States using SAVE verify the lawful status of all foreign-born

[21] State DMV websites. Accessed Oct 30, 2005.
[22] NAPHSIS. *Electronic Verification of Vital Events.* Available at <http://www.naphsis.org/projects/index.asp?bid=403.>. Accessed Jul 27,2006.
[23] Data provided to DHS by USCIS via e-mail on Apr 26, 2006.

DL/ID applicants. These States account for the vast majority of number of SAVE checks. With one exception, each of these States verifies the status of aliens at initial issuance and re-issuance. (One state does not do this for aliens holding "full-term" licenses but plans to begin doing so in 2007.) The other half of the States using SAVE tend to verify documents only in certain circumstances (e.g. suspicious documents or applications). DMVs currently pay 26 cents per requested initial verification.

Some initial verifications cannot be adjudicated and require secondary processing. The SAVE program office reports that historically 20 percent of all initial verifications require the secondary verification. Program data from the year 2005 yield a 14.2 percent secondary verification rate for verifications specific to DMVs. The secondary verification requires that States provide more information and an image or copy of the immigration document. States may either send this information to USCIS electronically using the automated secondary check system or by hard copy (e.g. photo copy, fax). The SAVE program office reports that it incurs $6 to $7 in labor costs to complete the secondary verification. Currently, the Federal Government covers these costs.

DHS projects that under the status quo there would be 10.9 million initial SAVE verifications from 2008 through 2016. When using 2005 SAVE verification program data for DMVs only, this method estimates slightly more than 1.5 million secondary verifications. Using the overall historic secondary verification rate provided by SAVE yields an estimate of approximately 2.2 million secondary verifications. (See Figure 9. For details on the calculations, see **Appendix C** .)

Figure 9: Projected baseline SAVE verifications (thousands)

Year	Baseline issuances	% currently run through SAVE	Initial verifications	Secondary (14.2% of initial)	Secondary (20% of initial)
2008	85,213	1.36	1,163	164.9	232.6
2009	86,115	1.36	1,175	166.6	235.0
2010	86,973	1.36	1,187	168.3	237.4
2011	87,804	1.36	1,198	169.9	239.6
2012	88,612	1.36	1,209	171.5	241.8
2013	89,389	1.36	1,220	173.0	244.0
2014	90,153	1.36	1,230	174.4	246.0
2015	90,921	1.36	1,241	175.9	248.1
2016	91,702	1.36	1,251	177.4	250.3
Total	796,883		**10,874**	**1,542**	2,175

Social security numbers can currently be verified using the Social Security Administration's Social Security Online Verification (SSOLV) system. This verification is one reason that 24 of the states—more than half for which data are available—do not require applicants to show their SSN card.[24] If an applicant provides information that yields a mismatch they will not receive a DL/ID from the state. DMVs believe this to be adequate because applicants

[24] SSN evidence requirements obtained from State DMV websites. Accessed Jun 26, 2006.

must also tie their name to the name in the SSA database either exactly or through evidence of name changes (e.g. marriage, divorce, legal name change, etc.). Twenty-three States require some evidence of SSN (data was not available for 4 states). Of the 23 States requiring evidence, 7 will only accept the SSN card itself. In addition to accepting the SSN card, eight allow documents that are available to most of the public and take relatively little effort to obtain. The remaining eight only accept documents that are not available to most people and/or are relatively difficult to obtain.

States can verify SSNs with the SSA in one of two ways. They can use a real-time system costing $0.03 per transaction. Alternatively, they can send applicants' data in batches. The cost for a batch transaction is $0.0017 per verification. Again, the verification practice of States varies. Some States only verify driver license but not ID card applicants. Other States only verify a SSN for a commercial driver license. One state indicated in an AAMVA survey that it only verifies the information on the initial issuance but not when issuing a replacement, update or renewal credential. Data from AAMVA's first survey of 2006 and their website indicate that 47 states, representing 93.62 percent of the DL/ID population, verify SSNs.[25] Of these, the AAMVA survey identifies 14 States that use the batch method and 25 that only conduct real-time verifications. (States using the batch method may also use real-time for some verifications.)

In the course of verifying SSNs, States find mismatches in data. Information from SSA indicates that this is almost always the result of:

- Applicants using different names when applying for DL/IDs than when interacting with SSA;
- Transpositions, typos or other data entry errors, or;
- Applicants having provided incorrect information.

Two States provided data on how many of their SSOLV verifications had discrepant data. One reported that three percent and the other that five percent of their verifications resulted in mismatches with SSA data. According to SSA, States resolve mismatches by first verifying that they have correctly entered the data as provided by the applicant. If so, DMVs contact their customer to ensure they have the correct name, date of birth and SSN. Finally, if all of the information is correct, the DMV refers the applicant to an SSA field office. At the SSA field office, an applicant's identity documents are inspected and the necessary changes (e.g. addition of name changes) are made to the SSN record.

II.D.2. Address of principal residence

There is no reliable system that States may use to verify all residents' principal address. The United States Postal Service (USPS) does not maintain a comprehensive database of address with associated names. They do maintain a Change of Address (COA) database but records are only maintained for six months unless a person requests an extension.

[25] AAMVA. *Jurisdictions Using Social Security On-line Verification (SSOLV).* Available at <https://www.aamva.org/aspforms/proFindJurisdictionByProductResponse.asp?ProductUID=9&ProductName=Social+Security+Number+On%2DLine+Verification+%28SSOLV%29.>. Accessed Oct 25, 2006.

Some States use third party data (e.g. credit reports or other data broker services) or software to verify a person's address. Currently, 9 States employ such a system.[26] However, third party data is subject to error, may not be the most current and may not show which of many addresses is an applicant's principal residence. Most states, therefore, rely upon a quantity of documents or sworn legal statements, including sworn statements on the application itself, to "verify" that the address given is indeed the address where the applicant resides.

II.D.3. Termination of license in other jurisdictions

States do not currently check with other States to ensure that every applicant does not hold a dual license. (States do check to ensure that applicants do not hold a commercial driver license in another jurisdiction.) However, states' policies prohibit individuals from dual licensure. There are two current practices that States use to enforce this policy. The first is checking for an applicant in the Problem Driver Pointer System (PDPS). States are required to use the PDPS by 49 USC 30304(e). This prevents bad drivers with suspended or revoked licenses in one jurisdiction from receiving a license in another jurisdiction. This solves the highway safety problem but does not address the security/identity issue of dual issuance. To prevent good drivers from obtaining two licenses, States request that applicants surrender their DLs and/or driving records from other jurisdictions. When switching states, this practice allows drivers to by-pass the driver permit and receive a license. However, an individual could conceivably claim to have no previous license, complete the "permit" phase and be issued a second, valid driver's license.

Many States have not imposed dual-issuance restrictions on non-driver identity cards. Some States have even developed a process to provide ID cards to individuals holding DL/IDs in other jurisdictions. This practice has become especially important for mobile populations that maintain residences in multiple states. It facilitates various economic transactions (e.g. writing/cashing checks), especially when economic agents require a local address. Florida has also instituted DLs that are for "in-state" driving purposes only. These DLs are not to be used in other jurisdictions. Further, any violation committed while using one of these DLs is sent to the driver's home state.

II.E. Card production and issuance

This section describes the methods DMVs use to issue DL/IDs (e.g. over-the-counter or centrally), the design and layout of DL/IDs, incorporated security features, card production costs and the current incorporation of machine readable technology.

II.E.1. Document Issuance

States have varying practices for how they deliver the document to a successful applicant. There are two primary systems for doing this. The first is over-the-counter (OTC) issuance. In

[26] AAMVA. First survey of 2006 , Question #15.

these States applicants are issued their document before they leave the enrollment office. This is also referred to as immediate issuance because the delay between acceptance of the application and issuance of the credential is only a matter of minutes. This option is considered to be convenient for applicants because it only requires one encounter with the DMV and they walk away with their document. This system requires that any normal adjudication must happen nearly instantaneously. For example, when States verify social security numbers (SSNs) with the Social Security Administration they may use either real-time or batch transactions. OTC issuance would require that the state use real-time. Some States have a quasi-OTC system. In these cases, the DMV gives the DL/ID applicant a receipt or number to be taken to another location where they may pick up their DL/ID. These fall more appropriately in the OTC system because the state does not have one central manufacturing site. Rather they use a decentralized system operated by vendors or various government officials.

Central issuance States typically have one production facility to handle all DL/ID manufacturing. The applicants of these States do not leave the DMV office with their new credential. (Though, they may leave with some form of temporary document indicating that they have been granted a license to drive.) In most cases the applicant will receive their new credential through the mail after it has been produced at the central facility. Because of this delay, central issuance facilities may choose processes that take more time than the instantaneous ones used by OTC states. For instance, the central issuance States could choose the less expensive batch verification of SSNs.

The third option some States choose is to use both systems. This is especially typical of States that use OTC for initial applicants but also offer remote renewal (e.g. mail, internet). Of the 51 states, 45 responded to questions about issuance systems in AAMVA's first survey of 2006. (The non-responding States account for 14 percent of the national population age 16+.) Of those, 16 report using a central system representing 44 percent of the responding population, 25 report using an OTC system representing 47 percent of the responding population and five use a hybrid system representing 9 percent of the responding population.

II.E.2. Design/Layout

Currently, every state has a unique document design. Some States view their DL/IDs as expressions of their individuality. States use color, font, layout and other appearance oriented features to express that individuality. However, the absence of any layout standard can complicate using an DL/ID as a flash pass. For instance, when a DL/ID holder is visiting another state, people trying to verify the age of the document holder may have a difficult time locating the date of birth field because they are not familiar with the credentials issued by the visitor's home state. Such situations have been the catalyst for efforts to bring some standardization to the layout of documents. This has been the basis for standards such as those in Annex D of AAMVA's Security Framework. Currently, there are no binding requirements on States pertaining to design/layout of DL/IDs.

II.E.3. Security Features

States have used various techniques to ensure the physical security of their DL/IDs. These techniques largely guard against tampering, cannibalism (using parts from different cards to create a false card), counterfeit, and photo/signature substitution. States employ security features that can fall into one of three classifications offered by AAMVA:

- Level 1- overt features visually or tactilely apparent;
- Level 2- inspection requiring the use of a tool or instrument, and;
- Level 3- covert forensic features requiring advanced knowledge and scrutiny of the document.

Generally, States use a plastic (PVC or other composite) card stock with a laminate overlay. Recent advancements in scanning, graphics and printing technology have facilitated the counterfeiting and altering of DL/IDs and have made ID fraud easier to commit. DHS is not aware of a reliable national measure or statistic of documented altering and counterfeiting of DL/IDs, much less for unknown attacks on these documents. However, the existence of fake ID markets and the increasing ease with which individuals can alter or counterfeit a DL/ID suggests that this is a common occurrence. As an example, two high-school students allegedly produced high-quality counterfeit DL/IDs and sold them to classmates for as much as $125.[27] MSNBC also reports that an employee of their sister network was approached four times in 30 minutes by fraudulent document vendors while walking through Los Angeles' MacArthur Park.[28]

II.E.4. Card production costs

AAMVA's first survey of 2006 asked States to report the unit cost of their DL/IDs. Figure 10 shows the distribution of unit card costs reported by responding states. The weighted mean of States' responses is $1.38. (See Figure 11.) The low is $0.68 and the high, an outlier, is $4.30

[27] "Weston police arrest teens over fake ID operation." Weston Town Crier. Mar 16, 2006. Available at <http://www2.townonline.com/weston/localRegional/view.bg?articleid=449602>. Accessed Mar 29, 2006.
[28] "Fake ID business booms in Los Angeles." MSNBC. Mar 23, 2006. Available at <<http://msnbc.msn.com/id/11980592/>. Accessed Mar 29, 2006.

Figure 10: Distribution of current unit card costs[29]

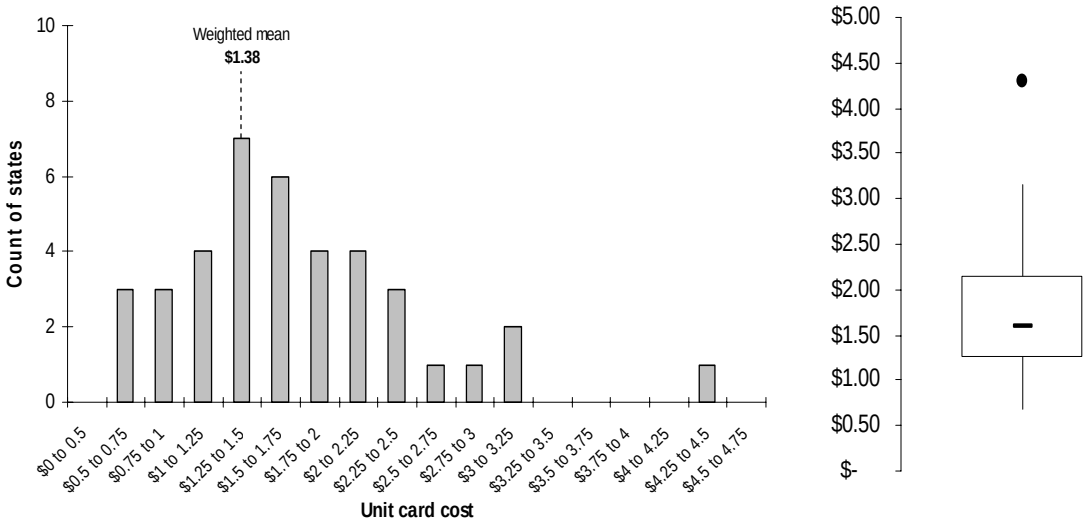


Figure 11: Current card production cost statistics

Measure	Value
Weighted mean	$ 1.38
Simple mean	$ 1.75
Median	$ 1.58
Low	$ 0.68
High	$ 4.30
Variance	0.592
Standard deviation	0.769
Responses	39

DHS used the weighted mean unit card cost to calculate the estimated cost of card production under the status quo. Using the weighted mean to estimate the cost of card production from 2008 through 2016 yields a total of $1.10 billion. (See Figure 12.)

[29] AAMVA's first survey of 2006.

Figure 12: Cost of card production under status quo

Year	Issuances (millions)	Mean cost (weighted)	Total (millions)
2008	85.2	$ 1.38	$ 117.6
2009	86.1	1.38	118.8
2010	87.0	1.38	120.0
2011	87.8	1.38	121.2
2012	88.6	1.38	122.3
2013	89.4	1.38	123.4
2014	90.2	1.38	124.4
2015	90.9	1.38	125.5
2016	91.7	1.38	126.5
Total	796.9	$	1,099.7

II.E.5. Machine Readable Technology

There are essentially three machine readable technologies (MRTs) in use by the states. They include linear barcodes used by 18 states, magnetic stripes used by 18 States and 2-D barcodes used by 46 states.[30] Some States use more than one technology. One state does not include any MRT on their DL/IDs.

II.F. Data

This section describes how State DMVs collect, maintain, process and transmit data related to DL/IDs. Specifically, it addresses how States obtain and store images of source documents, the data stored in their databases and the extent of their interconnectivity.

II.F.1. Imaging and storage

States have widely varying practices of collecting and maintaining images or copies of source documents. Some States do not collect them at all while others maintain their images indefinitely. The medium used to store documents also differs by states. Of the States that maintain copies of images, some keep them electronically while others keep hard copies (e.g. photo-copies, original certified copies, microfilm).

Most of the States retaining images of identity source documents do so for 10 or more years. Interestingly, this is true for every method of document retention. Further, nearly as many States keep images for 10 or more as do not keep images at all. Of the States retaining images, only one retains hard copies for less than 7 years, and only two retain digital copies for less than 10. (See Figure 13.)

[30] AAMVA. *Current and Planned Technologies for U.S. Jurisdictions*. Available at <http://www.aamva.org/standards/stdUSLicenseTech.asp>. Updated Jan 6, 2006.

Figure 13: Count of States by length of retention of identity source document images

Retention period (years)	All states	Hard copy only	Digital copy only	Both hard and digital	Unspecified
0 (None)	20	0	0	0	0
1 to 6	2	1	0	0	1
7 to 9	4	0	2	1	1
10+	19	4	4	3	8
Total	45	5	6	4	10
No response	6				

II.F.2. DMV Databases and connectivity

DMVs generally maintain databases containing DL/ID holders' information. These databases are not standardized between jurisdictions. State databases differ in age, format and content. Consequently a connectivity infrastructure with a broad scope has not developed. However, many specialized systems have emerged. Examples include:

- Problem Driver Pointer System (PDPS);
- Commercial Driver License Information System (CDLIS), and;
- AAMVA's network (AAMVAnet).

Each of these systems serves a different purpose for DMVs. States place pointers to their own records onto PDPS for problem drivers. The PDPS then directs a state's driver license inquiry to the state that put the pointer in the database. The Commercial Motor Vehicle Safety Act of 1986 mandated the development of CDLIS. This database system includes name, driver license number, date of birth, SSN and alias information for commercial drivers. The system also facilitates the transmission of a driver's history (convictions and withdrawals) from the state of conviction to the state-of-record. It also allows the transfer of driver records to a new state when the driver changes their state of licensure. AAMVAnet provides one central location that States and law enforcement utilize to access the various systems (e.g. PDPS, CDLIS, SSOLV, etc.). Congress has authorized $28 million to modernize CDLIS, which is managed by AAMVA on behalf of DOT and the states.

While some networks do exist that States are connected to, no state provides every other state full access to its DMV database.

II.G. Security

This section describes how States currently secure their DL/ID processes to prevent fraud both externally and internally. Specifically, it addresses the production materials and facilities, background checks for relevant employees and fraudulent document recognition training programs.

II.G.1. Physical security of facilities and materials

States have employed a wide range of techniques to secure their offices and production facilities. Some are rather extensive. One state's central issuance facility is akin to an underground bunker. Some facilities are less secure. For example, multiple States have had thieves use trucks or forklifts to break into DMVs and steal data or materials. AAMVA has published security guidelines for States to follow, but these are not binding. It is important to note that States using vendors for central issuance production are not directly responsible for security of those facilities. Rather, States specify performance standards in their contracts. Vendors may be able to spread the cost of physical facility security over their various clients. Consequently, the security costs incurred by vendors may be passed to their clients as part of the unit card production cost.

AAMVA surveyed States in 2005 and asked about the impact to "ensure physical security of locations where DL/ID cards are produced." Based on these responses, DHS estimates that 27 States have rigorous/high security measures in place, 8 have moderate security measures in place and 9 have modest security measures in place. [31] (Seven States did not provide a usable response.) This categorization is based upon a subjective reading of subjective responses. Therefore, DHS is requesting that State DMVs and/or their vendors provide data regarding the current status of physical security.

II.G.2. Employee background checks

News articles are replete with stories of internal fraud. Schemes range from one corrupt individual to extensive rings conspiring to accept bribes or other payments to provide "legitimate" licenses to people who are otherwise unable to obtain one. Groups like AAMVA and the Driver License Compact Board have identified two effective techniques to combat internal fraud. The first is for States to partition the business process. Partitioning of the process prevents individual employees from acting alone to falsely issue State DL/IDs and would instead require collusion for a license to be issued fraudulently. The second technique is to complete background checks on employees.

Many States currently conduct some form of background check on their employees. In AAMVA's first survey of 2006, 45 States reported having just over a combined 28,000 FTEs that are directly involved with the issuance process of DL/IDs.[32] Of these, 26,500 work in field locations and 1,700 work in headquarter locations. Some States perform background checks on employees. However, it is important to note that not all DMV employees within a state are subject to the same background checks and/or disqualifying criteria. The scrutiny that an employee is subject to correlates with their access levels and responsibilities. In AAMVA's 2005 survey, States gave information, though limited, about their background check requirements. Of the 44 responding states, 19 explicitly stated that they conduct criminal background checks; however,

[31] DHS determination of states' security levels based upon states' responses to AAMVA's 2005 survey.
[32] AAMVA. First survey of 2006.

they did not specify if these were state checks or national checks.[33] Five States indicated that they conduct background checks but did not indicate the scope of those checks or that these checks are not conducted on all employees who either have access to the manufacturing process or could materially alter the information on a DL/ID. Additionally, 20 States responded that they do not complete background checks.

II.G.3. Fraudulent document recognition training

Fraudulent document recognition (FDR) training programs are designed to enable counter agents to identify fraudulent source documents presented as part of an application. Of the 48 States responding to a 2006 AAMVA survey, 41 reported having FDR training programs. Of those, 29 States strictly use the FDR training program devised by AAMVA, 8 only use non-AAMVA programs, three use both. Six states do not have FDR training programs.[34]

III. Discussion of the Proposed Rule

This descriptive language conveys the consequences of the regulation. Although the regulatory evaluation attempts to mirror the terms and wording of the regulation, no attempt is made to precisely replicate the regulatory language and readers are cautioned that the actual regulatory text, not the text of the evaluation, is binding.

The proposed rule would establish minimum standards for DL/ID issuance. It would not prevent States from applying more rigorous or stringent standards. In fact, DHS would encourage them to find innovate methods of doing so.

III.A. Use of identity documents

This proposed rule would restrict the acceptance of state-issued DL/IDs for official Federal purposes. The proposed rule defines "official Federal purposes" as boarding Federally-regulated commercial aircraft, accessing Federal facilities and entering nuclear power plants. This proposed rule would:

- Continue to allow the acceptance of other identification document (e.g. passports) for official purposes;
- Not require the presentation of REAL IDs for official purposes (some Federal facilities do not require identification);
- Not affect the validity of any driver's license for the purpose of driving, and;
- Not affect other uses of DL/IDs.

A person would only need a REAL ID compliant DL/ID when they must show identification for an official purpose, AND they have no other acceptable form of documentation. Agents of the Federal Government or other regulated parties would need—as a matter of practice,

[33] AAMVA. First survey of 2005.
[34] AAMVA. First survey of 2005.

but the regulation does not require it—to complete training on which documents are and are not acceptable under the proposed regulation.

REAL ID licenses and non-driver identity cards issued by compliant States would always be acceptable—though agencies may require other, additional documentation—for official Federal purposes if state-issued driver's licenses and non-driver identity cards are on the list of acceptable documents for the given purpose. The proposed rule allows for a five year phase-in period for previously issued DL/IDs. A previously issued license would be acceptable for official purposes if and only if the DL/ID:

- Was issued by a state that is in compliance after May 10, 2008;
- Was issued before May 11, 2008;
- Is unexpired, and;
- Is being presented for acceptance before May 11, 2013.

In the proposed rule, DHS decided to limit the definition of "official purposes" to those listed by Congress in the statute: accessing a Federal facility; boarding Federally-regulated commercial aircraft; and entering nuclear power plants. DHS considered including other uses in the definition. However, DHS recognized that some individuals may have initial challenges in obtaining a compliant DL/ID. Consequently, DHS proposes to limit the scope of "official purpose" for the time being.

III.B. Population

Generally speaking, the proposed regulation would affect the resident population of the United States, including the territories and possessions. State-issued DL/IDs are the most commonly used form of identification in the United States. Further, they are the credentials most commonly used by the general public for boarding aircraft and, where required, entering Federal facilities (aside from government employee badges). However, only those who can show identity, lawful status, date of birth, address and a valid SSN (or ineligibility for SSN) would be able to receive a REAL ID under the proposed rule.

States may use their discretion to issue non-REAL ID licenses (marked as such and issued under section 202(d)(11) of the Act) to those who are unable or unwilling to meet the requirements of the proposed regulation. Non-REAL ID licenses would allow those who are either unwilling or unable to meet the source document and verification requirements to obtain a DL/ID, however those DL/IDs would not be acceptable for an official federal purpose. States will have residents who will encounter difficulties in obtaining the source documents. Other residents may choose not to seek a REAL ID due to their concerns about privacy, religious objections to having their photograph taken or other issues. The issuance of non-REAL IDs will allow these people to continue driving and it will facilitate transactions outside of the scope of official Federal purposes (e.g. age verification, cashing or writing checks). Finally, there are instances where an individual legitimately holds a DL in one state and an ID in another. Most typically, legitimate dual issuance occurs in the case of "snow birds" who migrate between warm-winter States like Florida and cold-winter States like New York. The proposed regulation would prohibit any one individual from

holding more than one REAL ID. In order to complete transactions where businesses require an ID with a local address, "snow birds" would need a non-REAL ID.

III.C. Applications

The application process would be affected in a few ways. First, though not directly regulated, the pre-enrollment, queuing, and staffing processes will likely change as States and individuals respond to and attempt to minimize the impacts of the proposed regulation. The proposed regulation would directly impact validity periods, the list of acceptable source documents and, temporarily, the ability for States to utilize remote application processes.

III.C.1. Pre-enrollment

DHS would not directly regulate the pre-enrollment process. However, that process would likely change as a result of the proposed regulation.

States would likely initiate information campaigns in order to minimize repeat trips made by their customers to the DMV office. Such campaigns would likely include revisions to websites, mailings sent to those whose DL/IDs are expiring, automated phone messages/information lines, etc. Some States may also choose to use media like radio, television, mailings (where not already used), billboards, editorials, etc. to reach their customers.

Some states, especially those with large populations, may create an online pre-enrollment process for applicants. Other enrollment-intensive programs have implemented such processes. Generally, an applicant would sign on to a website which will take them step-by-step through a pre-enrollment process. Through the internet an applicant could enter their information into the system and flag which source documents they will bring to the DMV for application. The DMV could verify the accuracy of all the information before the applicant arrives in person. Upon arrival, the applicant would produce their source documents and the DMV staff would scrutinize them for authenticity and accuracy. Such a process decreases the average time an employee spends per transaction, reduces the number of people making multiple visits to the DMV and could reduce clerical error. However, DHS acknowledges that this is an aggressive undertaking and may not occur simultaneously with the changes that are required by the proposed regulation, if at all. States could also develop a relatively modest version of pre-enrollment programs to implement.

Individuals would need to ensure that they have the source documents required by the regulation. This would require applicants to familiarize themselves with the requirements of the proposed rule. Then they would need to expend additional time and effort to obtain the necessary source documents.

III.C.2. Queuing

The rule proposed by DHS would not directly regulate the queuing processes utilized by states. However, because the proposed regulation shortens the validity period in some States and would bring more people to the DMV in States that currently allow remote renewals, the rule could affect wait times at DMVs. If States maintain or do not otherwise proportionally increase current staffing levels, wait times at DMVs could substantially increase. Indeed, there is a direct tradeoff between DMV staffing levels and average wait times. This tradeoff is ultimately reflected in the tradeoff between state payroll and individual opportunity costs. DHS assumes that DMVs would hire more staff, making the average wait time the same as under the status quo. However, because applicants would need to appear in person for their initial REAL ID, including those who would have renewed their DL/ID remotely, there would be an increase in the number of people waiting in line at DMVs (i.e. the sum of all individuals' wait time will increase). DHS requests comments and data regarding staffing levels employed by the States to implement REAL ID and the effects on average queuing time for DMV customers.

III.C.3. Customer Service

The proposed rule would result in an increased workload for DMVs. DMVs would need to hire more staff to process initial REAL ID applications where, under the status quo, they would have:

- Processed a shorter in-person re-issuance application;
- Used little to no labor to process remote re-issuance applications, and;
- Processed slightly shorter initial applications for new DL/ID holders.

In addition to adding staff, DMVs may need to increase their work space and other non-direct labor to support the staff hired to process the increased transactions. DHS estimates that DMVs would not need more labor to process REAL ID re-issuances compared to their current re-issuance practices.

III.C.4. Acceptable Source Documents

DHS considered an array of source documents to include in the proposed regulation that would establish identity, lawful status, principal address and social security number or ineligibility for a SSN. The proposed documents to show identity, date of birth and lawful status are in Figure 14 below. The employment authorization document does not prove lawful status by itself. However, it could be used as provisional evidence of lawful status, pending verification of status through the Systematic Alien Verification for Entitlements (SAVE) system.

Figure 14: Acceptable identification and lawful status documentation

Document	Citizens	Non-citizens *
Unexpired U.S. Passport	X	
Certified copy of birth certificate issued by a state or local government	X	
Department of State Consular Report of Birth Abroad	X	
Certificate of Naturalization	X	
Permanent Resident Card		X
Employment Authorization Document†		X
U.S. visa affixed to a foreign passport		X
REAL ID †	X	X

*Non-citizens with temporary documents would need to show that their lawful status has been extended to renew their REAL ID.
† Does not, in itself, show lawful status.

Applicants would also need to provide documentation showing either their social security number or that they are ineligible for a social security number. Applicants providing an SSN would have to present their social security card or either a W-2 or a pay stub that shows their name and social security number. (DHS seeks comment on the acceptability of other alternative documents.) Ineligibility for SSNs is limited to certain classes of aliens. Documentation that shows a DL/ID applicant is in a nonimmigrant status and establishes they do not have the right to work in the U.S. shows that the applicant is ineligible for a SSN.

States would need to determine that foreigners admitted for duration of status are still lawfully present. [35] DHS plans to connect the Student and Exchange Visitor Information System (SEVIS) to SAVE by May, 2008. Once connected, foreign students would not need to bring any documents to show continued lawful status. However, if the connection has not been established by May 11, 2008, these applicants would need to bring evidence in a sealed envelope of continued enrollment in the program (e.g. courses, employment) for which they have received authorization to remain in the United States.

In addition to identity, lawful presence and social security number, the proposed regulation would require that an applicant provide documentation showing their address of principal residence. Applicants would be required to provide, at a minimum, two documents showing the street address of their principal residence. Documents issued monthly would need to be no more than three months old and those issued annually would need to be from the most current year at the time of application. DHS would allow the States to determine which documents they will accept to meet the requirement of the proposed regulation. As part of the application, applicants

[35] Duration of stay is typically granted to students, exchange program participants and certain temporary workers. For more information see <http://travel.state.gov/visa/temp/info/info_1298.html>. (Accessed May 23, 2006.)

would be required to sign a declaration under penalty of perjury, which would affirm the accuracy of all information including the applicant's address of principal residence. DHS is not proposing that the address or the principal residence must be within the state where the applicant is applying for a REAL ID. In some instances, people legitimately hold a DL/ID in a state other that in which they maintain their primary residence.

DHS is proposing an exemption from certain source document verification requirements for people born before 1935. DHS believes that these people may find it impossible to gather verifiable documents to establish identity and date of birth and that there may be data quality issues at State public health and vital statistics offices for births prior to 1935. The proposal is to process such people that have a licensing history with a State of at least 10 years prior to May 11 using exceptions processing as outlined by the individual State., While exempted from the source document verification requirements, if these individuals wish to use a state-issued DL/ID for official Federal purposes, it must be a REAL ID.

III.C.5. Validity period

The proposed regulation requires that compliant DL/IDs remain valid for a period limited to eight years. If a state has maintained the source document images, the DMV may re-verify that information without requiring that the applicant re-present the source documents. If, however, the State does not have the information and images of source documents at the time of the renewal, the State would need to require the applicant to re-submit any appropriate, missing documentation. Immigrants that have status for less than eight years from the DL/ID issue date would be issued a REAL ID that would expire at the same time as their status. Additionally, non-immigrant aliens who are admitted for "duration of status" may only be granted a REAL ID that is valid for one year at a time.

III.C.6. Remote renewals

Under the requirements of the NPRM, States may choose to continue, or implement the practice of, allowing remote renewals for non-temporary compliant DL/IDs. However, DHS has determined that compliant DL/ID holders would need to renew in-person at least once every 16 years. (This allows States to take an updated photograph.) For example, a DL/ID with a life-cycle of eight years could be renewed remotely every-other issuance. A DL/ID that is valid for only four years could be renewed remotely up to three times before the holder must appear in-person. States would still re-verify an applicant's information as if the applicant had appeared in person. If the state does not have all of the applicant's information or images of the source documents, the applicant would not be able to remotely renew their DL/ID. Additionally, if any of the applicant's information has changed, including address, they would have to renew in-person.

III.C.7. Front-end application processing

The rule would not directly regulate the application processing as experienced by an applicant. The one exception to this would occur when States take a photo of the applicant. The rule would specifically require that all REAL ID *applicants* be subject to digital facial image capture. This means that applicants, regardless of whether they successfully receive a DL/ID or not, must have their photo taken. To ensure that this happens, DHS assumes that States would move the photograph to the beginning of the REAL ID application process in order to comply with the proposed rule. (The rule would not require photographs for non-REAL IDs.)

III.D. Verification

The statute requires that all source documents be verified with their issuing agency. DHS has identified appropriate methods for verifying identity, lawful status, date of birth and SSN with the issuing agency. DHS has also determined the appropriate method for States to verify that applicants have terminated any license that they hold in other jurisdictions.

III.D.1. Identity, lawful status and SSN

DHS proposes that each of the required documents be verified using the systems listed in Figure 15 below. DHS anticipates that each of these systems will be functional by May, 2008. In all, there are six systems that States would utilize:

- the Department of State's Consolidated Consular Database (CCD) or other database as determined by the Department of State;
- the Electronic Verification of Vital Event Records (EVVER);
- U.S. Citizenship and Immigration Service's Systematic Alien Verification for Entitlements (SAVE);
- U.S. Immigrations and Customs Enforcement's Student and Exchange Visitor Information System (SEVIS) via SAVE;
- the Social Security Administration's Social Security Online Verification (SSOLV), and;
- State DMV databases.

Figure 15: Verification methods for required documents

Document	Verification method	Identity	Lawful status	SSN/ ineligibility	Address
Unexpired U.S. Passport	Department of State: CCD or other database	X	X		
Certified copy of birth certificate	Electronic Verification of Vital Event Records (EVVER)	X	X		
Consular Report of Birth Abroad	Department of State: CCD or other database	X	X		
Certificate of Naturalization	DHS: SAVE	X	X		
Permanent Resident Card	DHS: SAVE	X	X		
Employment Authorization Document	DHS: SAVE	X	X[A]		
US visa affixed to a foreign passport	DHS: SAVE	X	X[B]		
Other immigration documentation	DHS: SAVE		X[B]		
Continued duration of status (no document)	DHS: SEVIS via SAVE		X		
Real ID	State DMV databases	X			
Social Security Card	SSA: SSOLV			X	
W-2 or pay stub with name and SSN	SSA: SSOLV			X	
Other document with applicant's name and SSN	(Included as alternative only, would verify through SSOLV)			X	
Immigration status making applicant ineligible for SSN	DHS: SAVE			X	
State-determined address documents	Appropriate method determined by state				X

[A] The related SAVE verification, not the document, shows lawful status.

[B] Non-citizens with temporary documents would need show that their lawful status has been extended to renew their Real ID.

DHS also acknowledges that as of May 2008 not all birth certificates will be available through EVVER. DHS is proposing an exception to process applicants whose records are not yet in the system. If an applicant presents a state- or local government-issued birth certificate that a state employee believes to be authentic but the state of jurisdiction for the birth does not have the information uploaded to EVVER, the DMV may issue the applicant a REAL ID compliant DL/ID. At a minimum, the state would need to flag this record and verify the birth certificate upon the next renewal.

States would also need to verify the status of foreigners given approval for duration of status. DHS is working to connect SAVE with the Student and Exchange Visitor Information

System (SEVIS) to allow States to electronically verify continued lawful status for these applicants. States would not need to establish a connection with SEVIS. Under the proposal, when a state verifies the applicant's status with SAVE, DHS would automatically confirm continued status for duration of stay applicants via SEVIS. However, if the connection is not established by May 11, 2008, DHS is proposing that these applicants bring sealed evidence of their enrollment status in a sealed envelope from their qualifying program (e.g. school's registrar, verification of employment, etc.). State DMVs would not need to verify that document.

Under the proposed rule, States would verify SSNs with the Social Security Administration via SSOLV. Verifications resulting in a "no match" would need to be resolved before the state issued a REAL ID. The rule proposes that the lawful status verification also act as a proxy verification for those who are ineligible for a social security number. (Ineligibility is tied to certain specific types of lawful status.) DHS is proposing that the name and social security number, not the document itself (e.g. W-2, pay stub with name and SSN), be verified with SSA via SSOLV.

III.D.2. Address of principal residence

The proposed rule would allow States to determine the list of documents required to establish an applicant's principal residence. The statute requires that those documents be verified with the issuing agency. However, DHS has determined that no system exists to verify that an address is the applicant's *principal* residence. Further, DHS has concluded that verifying the validity of documents that States choose to accept is impracticable. At this time, States would not be required to verify these documents with the issuing agency. Applicants, however, would be required to sign a statement affirming the accuracy of all information they provide including the address they presented is indeed their principal address. This, combined with the multiple documents validates an applicant's principal address.

III.D.3. Termination of license in other jurisdictions

DHS would require that States verify that the applicant does not have a valid driver's license (either compliant or not) or a REAL ID compliant non-driver identification card in any other jurisdiction. If so, the State must verify that the other DL/ID is being terminated. A State would accomplish this by querying all other jurisdictions' databases. The result would be that each individual may hold only one REAL ID compliant DL or ID. The proposed requirements, however, do allow for States to issue non-REAL ID identification cards to people who already hold a compliant REAL ID (or driver license) in another jurisdiction.

III.E. Card production and issuance

The proposed regulation would affect the processes used by States to produce and issue DL/IDs. Though not required, States will likely move to central issuance. The design and layout of the DL/ID would not be directly regulated but the proposed regulation does call for minimum

data elements and physical security features. The proposed regulation also would require a standard 2-D barcode on all compliant DL/IDs.

III.E.1. Document issuance

The proposed regulation would not explicitly require nor prohibit any particular issuance system (e.g. over-the counter, central issuance or hybrid). As long as a state meets all of the requirements of the proposed regulation, they may use any issuance system. However, States may find it more economically feasible to implement the various security requirements if they move to a central issuance system.

III.E.2. Design/Layout

The proposed rule would not specify the exact design and layout of state issued DL/IDs. However, DHS is proposing some minimum standards that will affect the appearance of the card. The proposed regulation would require each of the following on the face of REAL IDs:

- Space available for 39 characters for full legal name (truncated according to ICAO standards, if necessary);
- Address of principal residence (except as provided in the regulation);
- Digital photograph;
- Gender;
- Signature, and;
- The MRT.

Additionally, temporary REAL IDs would need to clearly state that they are temporary. Non-REAL IDs issued by compliant States would need to clearly state on their face that they are not acceptable for Federal official purposes and use a unique design or color that clearly distinguishes them from compliant licenses.

III.E.3. Security Features

DHS proposes that States must use a variety of security features to prevent tampering, counterfeiting or forgery of the DL/IDs. Under the proposed regulation, compliant States would have to use a(n):

- A card stock that satisfies DHS' proposed performance standard, such as polycarbonate or other compliant technologies;
- Serial inventory number for each card;
- Intricate, fine-line, multicolored background design (a.k.a. guilloche pattern) produced via offset lithography (as opposed to dye sublimation);
- UV long wave responsive feature;
- Optically variable device;
- Personalized tactile feature created by laser engraving;

- Personalized microprint feature;
- Covert taggant(s) and/or marker(s);
- Intentional error and/or field check;
- Check digit numbers or letters, and;
- Card format revision date printed or engraved on the cards surface to be updated with card design changes.

III.E.4. Machine Readable Technology

DHS would require that States include a 2-D barcode on the DL/ID using the PDF417 standard.[36] States would need to include the bearer's name (allowing for 125 characters), date of birth, gender, eye color, height, address, the expiration date, issue date, and a unique identifying number on the 2-D barcode. The regulation would not prohibit States from including more information, which may be encrypted, or using other technologies as long as they do not interfere with the minimum data elements in the 2-D barcode.

In the proposed rule, DHS has not made a determination regarding the encryption of data in the machine readable technology (MRT). DHS recognizes the desire to encrypt data to protect citizens' privacy. DHS also recognizes the wide-spread practice of not encrypting data, as AAMVA recommends. Accordingly, DHS is seeking comment on requiring encryption of data in the machine readable zone (MRZ). The Department is also interested in comments regarding other methods of protecting of individuals' data contained in the MRZ.

III.F. Data

The proposed rule would regulate the way that DMVs obtain and store images of source documents, the data contained in databases and the manner in which DMVs share that information with each other. States would also need to make adjustments to their data and IT systems to accommodate the business process changes designed to meet the requirements of the proposed rule.

III.F.1. Imaging and storage

The proposed regulation would require that DMVs electronically scan, in color, all the source documents presented by an applicant. (States currently using black and white scanners may continue to do so until December 31, 2011.) The NPRM would allow States to keep the scanned images either electronically or in non-electronic format (e.g. photocopies or microfiche). States would be required to keep non-electronic copies for a minimum of 7 years and electronic images for a minimum of 10 years. When a DL/ID holder applies for a renewal card, they would

[36] The PDF417 is an open source standard for two dimensional barcodes. It has been endorsed by the International Organization for Standardization (ISO).

not be required to bring their source documents if the state has maintained images of source documents and the information that those images contain is current.

III.F.2. DMV databases and connectivity

The statute requires that State DMV databases contain "all data fields printed on drivers' licenses and identification cards issued by the State and motor vehicle drivers' histories, including motor vehicle violations, suspensions, and points on licenses."[37] The proposed regulation would require that, where available, State DMVs use electronic verification of source documents and to make their DL/ID databases available to other DMVs. DHS is proposing that this should be done through a decentralized database system using a combination of Federal and State government participants to control standards, business rules, dispute resolution, membership, etc. DHS would not have sole responsibility for such a partnership and its distributed database system. However, because DHS owns databases that States must verify against, it would be a member of the partnership of databases. Further, to be in compliance with the regulation, States would need to show that they are meeting the connectivity requirements through the partnership or otherwise.

III.G. Security

The proposed rule would require States to ensure the security of production materials and facilities, conduct background checks on relevant employees and train their agents to recognize fraudulent documents.

III.G.1. Physical security of facilities and materials

The proposed regulation would require that States complete an extensive risk assessment and comprehensive security plan. DHS recognizes that with the varying types of facilities in the 56 jurisdictions the appropriate security techniques for each facility also vary. Consequently, DHS is not proposing prescriptive standards for physical security. Rather, the proposed rule would require States to "ensure the physical security of locations where driver's licenses and identification cards are produced , and the security of document materials and papers from which driver's licenses and identification cards are produced." The proposed regulation would also require States to describe the security of facilities in their comprehensive security plan.

III.G.2. Employee background checks

The proposed regulation would mandate that States perform employee background checks on appropriate staff. The statute stipulates that the checks should be done on "all persons authorized to manufacture or produce drivers' licenses and identification cards."[38] DHS interprets

[37] *REAL ID ACT of 2005*. Public Law 13, 109th Cong., 1st sess. (May 11, 2005), 202(d)(13).
[38] *REAL ID ACT of 2005*. Public Law 13, 109th Cong., 1st sess. (May 11, 2005), 202(d)(8).

this to mean all people substantively involved in the issuance process. This would include counter agents accepting application packages or entering application data into the system in addition to those physically manufacturing the DL/ID. This would also include any third parties substantively involved in the process. DHS is proposing that the background check include a criminal history records check (CHRC), an immigration status check, and a financial history check.

DHS is proposing that some felony-level criminal offenses be automatically disqualifying. Some offenses would be permanently disqualifying while others would only temporarily disqualify an applicant. Disqualifying offenses center around crimes committed for personal gain (e.g. extortion, bribery, forgery, embezzlement, smuggling, etc.) and mirror, though do not replicate, the disqualifying offenses used for hazardous materials endorsements. DHS proposes that States be responsible for completing the CHRC (including necessary fingerprint requirements) with the Federal Bureau of Investigation (FBI).

Finally, the state would need to examine the applicant's credit history. DHS is not setting disqualifying standards regarding credit history. Rather, DHS proposes that States merely consider an applicant's financial stability as part of the larger application package to determine in what capacity the state wants to employ the applicant.

III.G.3. Fraudulent document recognition training

The regulation proposed by DHS would require that appropriate DMV employees complete a fraudulent document recognition (FDR) training course. To achieve compliance, States would need to put appropriate employees through the approved AAMVA-style FDR training.

III.H. Certification and Compliance

The proposed regulation would require States to send the Department an initial certification of their compliance. DHS intends to issue compliance guidance to the States. This guidance will set forth benchmarks or best practices against which progress toward full compliance will be measured, both for requests for extension and to assist States in drafting the certification packages or extension requests. Under section 205(b) of the Act, DHS may grant an extension of time to meet the requirements of the Act if the State provides adequate justification. Under this authority, DHS proposes to recognize the efforts States make in seeking to comply with the Real ID Act prior to May 2008. Should a State choose to apply for an extension after the final rule is issued, the State should include in its request for extension information including, but not limited to: what requirements of the final rule the State believes it has already satisfied; proposed milestones for implementation of any remaining requirements of the final rule; and explanation as to the obstacles that prevent full compliance by a State by May 11, 2008.

After making an initial certification States would also need to complete annual certifications and quarterly reports on the use of the exceptions process. The annual certification would inform the Department that the state has not made any changes that would affect their

compliant status. The quarterly reports would contain information on all uses of exceptions processing to assure that the process is not being manipulated.[39] The Department would then be well suited to analyze data across States to identify patterns of attempted fraud.

IV. Cost Estimates and Alternatives Analysis

The economic evaluation's descriptive language conveys the consequences of the regulation. Although the regulatory evaluation attempts to mirror the terms and wording of the regulation, no attempt is made to precisely replicate the regulatory language and readers are cautioned that the actual regulatory text, not the text of the evaluation, is binding.

In all tables presented in the Cost Estimate and Alternatives Analysis section, detail may not calculate to total due to independent rounding.

DHS has estimated the marginal undiscounted economic cost of implementing the proposed REAL ID regulation and its minimum standard for state-issued DL/IDs, to range from $12.2 to 30.3 billion with a primary estimate of $23.1 billion over ten years. (See Figure 16 on page 44.) The net present value of the estimates, when discounted at three percent, range from $10.7 to 26.5 billion with a primary estimate of $20.3 billion. When discounting at seven percent, the net present value of the ten-year estimate ranges from $9.1 to 22.5 billion with a primary estimate of $17.2 billion. Years nine and ten offer the best proxy for long-term recurring annual costs. (Years seven and eight, though post-deployment, will not have expiring licenses in States with an eight-year validity period.) After deployment, undiscounted annual costs are likely to stabilize around $1 billion but could range from as little as $500 million to as much as $1.5 billion.

The three largest cost areas, in descending order, are submitting and processing applications, DL/ID production and issuance, and establishing and maintaining the necessary data and interconnectivity systems.

The largest impact category is the preparation, submission and processing of applications for REAL ID. The magnitude of this category is driven largely by the fact that all applicants for a REAL ID would need to complete an application process similar to those of a first-time driver or a driver moving from one state to another. Applicants would need to obtain source documents and go to the DMV in-person. DMVs would need to spend more time entering data, scanning documents and completing other critical steps in the application process. To accomplish these goals, DMVs will likely need to hire more staff and expand their physical locations. However, these impacts are largest during the "phase-in" period and quickly decline once the entire population has been enrolled.

The second largest impact is the production and issuance of the REAL IDs themselves. The proposed minimum standards are intended to make counterfeit production, tampering and other fraud more difficult. A side-effect is that the documents are more expensive to produce than

[39] See §37.11(h)(4) of the NPRM.

today's driver's licenses. Additionally, some states may choose to switch issuance processes from over-the-counter and hybrid systems to central issuance only.

The third largest impact category is the creation and maintenance of necessary data and interconnectivity systems. These systems will require substantial up-front effort to create but are likely to require smaller marginal increases in maintenance costs. Each of these impacts can be seen in Figure 16, found on page 44.

Readers are advised that the estimates are subject to various assumptions and limitations. DHS has outlined its global assumptions, which immediately follow the cost summary figures. Other assumptions and limitations are in the discussion of each cost section. Each section also contains analysis of alternative options considered by DHS. Further, these estimates represent the Department's preliminary analysis. The Department will continue to work to ensure that the analysis reflects the best information available.

Figure 16: Summary of marginal economic costs of the proposed regulation (millions)

Year	Use of ID documents	Applications	Verification	Document production and issuance	Data	Security	Certification	**Total**	Discounted (3%)	Discounted (7%)
1	$ -	$ -	$ -	$ 299.7	$ 643.7	$210.1	$ 3.4	**$ 1,157**	$ 1,123	$ 1,081
2	5.4	3,440.8	6.2	646.4	96.7	22.2	3.8	**4,221**	3,979	3,687
3	0.5	2,950.5	5.2	561.8	96.7	20.2	3.8	**3,639**	3,330	2,970
4	0.5	2,907.1	5.4	587.6	96.7	20.4	3.8	**3,621**	3,218	2,763
5	0.5	2,720.6	6.3	682.9	96.7	20.3	3.8	**3,531**	3,046	2,518
6	0.5	2,131.6	5.7	628.2	96.7	20.1	3.8	**2,887**	2,418	1,923
7	0.5	291.9	4.9	545.7	96.7	20.1	3.8	**964**	783	600
8	0.5	294.9	5.0	563.4	96.7	20.2	3.8	**984**	777	573
9	0.5	297.9	5.6	619.5	96.7	20.2	3.8	**1,044**	800	568
10	0.5	301.0	5.7	624.8	96.7	20.2	3.8	**1,053**	783	535
Primary	**$ 9.4**	**$ 15,336.4**	**$ 50.0**	**$ 5,759.9**	**$ 1,513.8**	**$394.1**	**$ 37.4**	**$23,101**	**$20,257**	**$ 17,219**
Low	4.7	8,229.1	1.6	2,980.5	628.7	332.9	18.7	**12,171**	10,680	9,086
High	14.1	19,769.4	165.8	7,726.3	2,115.7	500.3	56.1	**30,273**	26,526	22,532

The above estimates represent the marginal economic cost of the proposed regulation. DHS has broken the primary estimate into opportunity costs and expenditures. Over ten years $7.1 billion of the costs, which account for 30.78 percent of the 10-year primary estimate, are opportunity costs borne by individuals. (See Figure 17.)

Figure 17: Opportunity cost to individuals, primary estimate (millions)

Year	Application preparation	Obtaining birth certificates	SSN card replacements	DMV visits	Total
1	$ -	$ -	$ -	$ -	$ -
2	1,029.7	187.3	73.0	441.5	1,731.4
3	819.0	145.7	63.3	346.0	1,374.1
4	791.9	140.2	67.0	333.5	1,332.5
5	694.5	120.9	64.8	289.2	1,169.4
6	399.2	62.7	47.0	155.6	664.4
7	135.2	10.6	25.2	36.1	207.1
8	136.6	10.7	25.5	36.4	209.3
9	137.9	10.8	25.8	36.8	211.4
10	139.3	11.0	26.1	37.2	213.6
Total	$ 4,283.3	$ 699.9	$ 417.9	$ 1,712.2	$ 7,113.2

The Federal government, state governments, private industry and individuals must plan for the estimated $16.0 billion in expenditures shown in Figure 18.

Figure 18: REAL ID expenditures, primary estimate (millions)

		Source documents		Applications		Verifications		Card				
Year	Use of documents	SSN cards	Birth certificates	Information awareness	Customer service	SAVE	SSOLV	production/ issuance	Data	Security	Certification	Total
1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 299.7	$ 643.7	$ 210.1	$ 3.4	$ 1,157
2	5.4	84.4	203.9	76.5	1,344.6	5.2	1.0	646.4	96.7	22.2	3.8	2,490
3	0.5	73.3	158.6	-	1,344.6	4.4	0.8	561.8	96.7	20.2	3.8	2,265
4	0.5	77.5	152.6	-	1,344.6	4.6	0.7	587.6	96.7	20.4	3.8	2,289
5	0.5	75.0	131.6	-	1,344.6	5.5	0.8	682.9	96.7	20.3	3.8	2,362
6	0.5	54.4	68.2	-	1,344.6	5.0	0.7	628.2	96.7	20.1	3.8	2,222
7	0.5	29.2	11.6	-	44.0	4.3	0.6	545.7	96.7	20.1	3.8	756
8	0.5	29.5	11.7	-	44.4	4.4	0.6	563.4	96.7	20.2	3.8	775
9	0.5	29.9	11.8	-	44.9	4.9	0.7	619.5	96.7	20.2	3.8	833
10	0.5	30.2	11.9	-	45.3	5.0	0.7	624.8	96.7	20.2	3.8	839
Total	$ 9.4	$ 483.4	$ 761.8	$ 76.5	$ 6,901.4	$ 43.3	$ 6.6	$ 5,759.9	$ 1,513.8	$ 394.1	$ 37.4	$ 15,988

The primary estimate of cost items that will be borne by States account for $14.6 billion, or 91.33 percent of the 10-year total expenditures. [40] (See Figure 19.)

[40] States may cover these expenses by receiving grants, increasing user fees, increasing revenue by other means or decreasing other expenditures. DHS is unable to determine the various methods that States will employ to cover these estimated expenditures. The estimated expenses do not include the cost to issue duplicate birth certificates as individuals ultimately bear that cost through user fees, assuming fees are set for neutral net revenue.

Figure 19: State government expenditures, primary estimate (millions)[41]

	Applications		Verifications		Card				
Year	Information Awareness	Customer Service	SAVE [a]	SSOLV	production/ issuance	Data	Security	Certification	Total
1	$ -	$ -	$ -	$ -	$ 299.7	$ 601.9	$ 210.1	$ 1.1	$ 1,112.8
2	76.5	1,344.6	1.4	1.0	646.4	92.7	22.2	1.5	2,186.2
3	-	1,344.6	1.2	0.8	561.8	92.7	20.2	1.5	2,022.7
4	-	1,344.6	1.2	0.7	587.6	92.7	20.4	1.5	2,048.7
5	-	1,344.6	1.4	0.8	682.9	92.7	20.3	1.5	2,144.2
6	-	1,344.6	1.3	0.7	628.2	92.7	20.1	1.5	2,089.1
7	-	44.0	1.1	0.6	545.7	92.7	20.1	1.5	705.6
8	-	44.4	1.2	0.6	563.4	92.7	20.2	1.5	723.9
9	-	44.9	1.3	0.7	619.5	92.7	20.2	1.5	780.7
10	-	45.3	1.3	0.7	624.8	92.7	20.2	1.5	786.5
Total	$ 77	$ 6,901	$ 11.4	$ 7	$ 5,760	$ 1,436	$ 394	$ 14.4	$ 14,600

[a] The Federal Government assumes much of the estimated expenditures for SAVE verifications.

The Office of Management and Budget (OMB) requires agencies to report estimated costs in 2001 dollars.[42] The above estimates are in constant 2006 dollars. The estimated cost of the proposed rule in 2001 dollars ranges from $10.9 to 27.1 billion, with a primary estimate of $20.7 billion. (See Figure 20.) The deflating multiplier was obtained by dividing the 2001 chained index by the 2006 chained index.

Figure 20: Estimated marginal economic cost of REAL ID (millions of 2001 dollars)

2001 index	2006 index	Multiplier
102.399	114.406	0.895049

Year	Primary	Low	High
1	$ 1,035	$ 590	$ 1,474
2	3,778	2,010	4,974
3	3,257	1,701	4,188
4	3,241	1,696	4,158
5	3,160	1,657	4,018
6	2,584	1,341	3,164
7	862	450	1,223
8	881	461	1,248
9	935	492	1,319
10	942	496	1,329
Total	$20,677	$ 10,894	$ 27,095

OMB also instructs agencies to "identify the effects of the rule on... economic growth," noting that, "rules with annual costs that are less than one billion dollars are likely to have a

[41] This estimate does not include States' cost to produce replacement birth certificates. The analysis assumes that birth certificate fees reflect the States' costs to issue replacements, thereby placing the burden squarely upon the individual.

[42] Office of Management and Budget. *Circular A-4.* Sep 17, 2003. Available at <http://www.whitehouse.gov/omb/circulars/a004/a-4.pdf>. Accessed May 19, 2006. P40-42, 45.

minimal effect on economic growth."[43] Although the rule has estimated costs of more than one billion dollars in more than one year, it is not likely to substantially hinder long-term economic growth because it represents a small and diminishing percent of gross domestic product (GDP), its largest effects are a one-time impact (spread over program years one through six), the costs do not represent total losses to productivity and it does not prevent States and private industry from innovating and finding more efficient, productive means of delivering DL/ID services.

The proposed regulation's estimated costs represent a small and diminishing share of GDP. The DHS primary estimate is 13 one-thousandths of one percent of GDP over ten years with the one-year high of 29 one-thousandths of one percent in year two. (See Figure 21.) The low and high estimates range from 7 to 17 one-thousandths of one percent of GDP for ten years, with the one-year high of 15 to 38 one-thousandths of one percent in year two. After all applicants have been phased-in and States with eight-year validity cycles begin to have expirations, the rule's effect would settle at 2 to 7 one-thousandths with the primary estimate at 5 one-thousandths of one percent of GDP. (Also note that the estimated costs include opportunity costs where people may lose some leisure time, which is not counted in GDP.)

Figure 21: REAL ID costs as a percent of GDP

		Primary		Low		High	
Year	Annual average GDP (millions)[44]	REAL ID estimate (millions)	REAL ID as percent	REAL ID estimate (millions)	REAL ID as percent	REAL ID estimate (millions)	REAL ID as percent
1	$ 13,842,158	$ 1,156.9	0.008%	$ 659.1	0.005%	$ 1,646.3	0.012%
2	14,530,553	4,221.4	0.029%	2,246.1	0.015%	5,556.7	0.038%
3	15,303,723	3,638.7	0.024%	1,900.4	0.012%	4,679.6	0.031%
4	16,072,730	3,621.5	0.023%	1,894.4	0.012%	4,646.0	0.029%
5	16,844,225	3,531.0	0.021%	1,851.6	0.011%	4,489.0	0.027%
6	17,652,150	2,886.6	0.016%	1,498.3	0.008%	3,535.2	0.020%
7	18,511,743	963.5	0.005%	502.5	0.003%	1,366.5	0.007%
8	19,422,038	984.5	0.005%	514.6	0.002%	1,394.7	0.007%
9	20,381,270	1,044.2	0.005%	549.8	0.003%	1,473.1	0.007%
10	21,394,173	1,052.7	0.005%	554.4	0.002%	1,485.3	0.007%
Total	$ 173,954,760	$ 23,101.0	0.013%	$12,171.2	0.007%	$ 30,272.5	0.017%

The proposed rule's effects would occur early as States prepare for implementation and phase-in their DL/ID holders. The costs to individuals accrues in the early years as people obtain source documents and wait in queues in order to obtain their first REAL ID. Consequently, the adverse effects on the economy would represent a one-time, though spanning approximately years two through six, impact on the level of the economy. The rule would allow the long-term growth rate to continue unimpeded.

The costs of the rule mainly represent a diversion of productivity as opposed to lost productivity. While some dead-weight loss would exist, the $16.0 billion in expenditures (see Figure 18) will bolster employment within the Federal and state government and within private

[43] Ibid. P 46.
[44] Global Insight. <DataInsight-Web> application. May 10, 2006.

industry. The net impact would have an even more diminished adverse impact on economic growth once the $16.0 billion is subject to multiplier effects.

The proposed rule leaves most of the business processes to the discretion of States, which allows them, in conjunction with their vendors, to find innovative ways to improve productivity in their processes. States and their vendors may use this opportunity to achieve efficiency gains in other portions of their business processes that, to date may have been adequate without maximizing efficiency. The proposed rule also does not prevent States and vendors from innovating and achieving other efficiency gains in the future.

IV.A. Assumptions and Uncertainty

In order to complete the analysis, DHS made various assumptions. As with any analysis, the incorporation of assumptions also brings varying levels of uncertainty to the final estimates. This section outlines the assumptions that reach throughout the analysis and the largest uncertainty to the analysis of the proposed REAL ID regulation.

IV.A.1. Assumptions

In order to analyze the impacts of the proposed regulation, DHS made the following assumptions.

All States will comply with the regulation by the statutory deadline.

Reality may show that some States are unwilling or unable to comply by May 2008. Indeed, some States will have challenges because of their legislative cycles or other complicating factors. However, DHS cannot perfectly predict the political future of each state and believes that each state can find a way to implement the regulations by May 2008. (DHS also believes it has chosen alternatives that help mitigate the impacts—budgetary, political and time—to the States.) Because this schedule will require State action before 2008 to prepare for implementation, the analysis considers the preparatory period (pre-May, 2008) to be program year one. States are not required to issue compliant licenses until May, 2008 which falls in program year two.

IT systems will be functional by the implementation deadline.

This assumption is required to allow States to be compliant by the statutory deadline (see the previous assumption). Many of the required IT systems are currently functional, including SSOLV, SAVE and CCD (States will need to develop connectivity to CCD). These systems may require expansion to handle increased workloads, but are functional today. The EVVE system is currently in a prototype phase. Based on information from NAPHSIS, DHS believes that it can be expanded to all 56 jurisdictions by the implementation deadline. DHS recognizes, however, that the databases of vital records offices will not likely be fully populated by the implementation

deadline.[45] The analysis allows for this but still assumes that the system itself will exist. DHS also believes that States will be able to devise a solution to the DMV interconnectivity challenge by the implementation deadline and recognizes that this is an aggressive timeline for the endeavor. Consequently DHS began collaborating with States before the publication of the proposed rule and believes that a satisfactory solution will be implemented by the statutory deadline.

If States are unable to complete the necessary changes to their own systems and establish functionality with non-state systems by 2008, then the Secretary of Homeland Security may choose to exercise his discretion to extend the compliance deadline granted by section 205(b) of the REAL ID act.[46] The impact of an extension of the preparatory period would be ambiguous. If the delay does not change the 10-year IT estimate but merely spreads it over more years, the discounted cost of implementing the proposed regulation would be lower than estimated in this analysis. If the delay would require an expenditure of more money to sustain the preparatory effort over a longer period, the 10-year cost total would increase. The effect on the discounted costs depends largely on the distribution of this effort over the preparatory period. Finally, a delayed implementation would result in a larger population needing to be phased-in—growth issuances will continue under the status quo. While this will increase the total 10-year cost, the effect on the discounted cost depends greatly upon the length of the delay and the amount of growth over the delay period.

Each state will issue both REAL IDs and non-REAL IDs .

Issuing both REAL IDs and non-REAL IDs allows willing and eligible residents to obtain a compliant DL/ID and would offer an alternative DL/ID (not acceptable for Federal official purposes) to those who are unwilling or unable to obtain a compliant one. States will have residents that will encounter difficulty providing the required source documents. Other residents may choose not to obtain a REAL ID because they have other acceptable identification and may have concerns about REAL IDs (e.g. religious objectors to the photograph requirement). DHS believes it has reasonably minimized these concerns. Though these people may be unwilling or incapable of obtaining a REAL ID, many States require that drivers have a license issued by the State of jurisdiction if present in that State for a minimum time period. Finally, there are people who maintain their primary residence in one State but spend significant periods of time in other States. DHS assumes that these people will hold their REAL ID in their State of principal residence but may obtain a non-REAL ID in the second State. These people, often known as "snow birds," use the second ID to verify information for financial transactions (e.g. writing and/or cashing checks and other purposes). For these reasons, DHS assumes that States will issue both REAL IDs and non-REAL IDs.

All DL/ID holders will seek a REAL ID credential.

This assumption is for the analysis only and DHS does not anticipate that every current and future DL/ID holder will hold a REAL ID. Unfortunately, DHS is unable to estimate how many individuals will seek non-REAL ID credentials. This has an effect on the interpretation of the

[45] NAPHSIS reports that "85% of the birth records back to 1935 are electronically available in jurisdiction databases." NAPHSIS. *Phases for Implementing EVVE*. Sent to DHS via e-mail. Jan 19, 2006.
[46] *REAL ID ACT of 2005*. Public Law 13, 109th Cong., 1st sess. (May 11, 2005)

analysis. The minimum standards in the proposed regulation (e.g. list of acceptable source documents, verification of documents, document security features, etc.) will increase the costs compared to the status quo. However, this analytic assumption applies these costs to all DL/ID holders. Some individuals will seek or obtain a non-REAL ID credential. (These individuals may use alternate credentials for official purposes.) Consequently, the portions of the estimate that depend on the number of REAL IDs issued will likely over-state the cost of the proposed regulation.

The typical validity period of driver's licenses in a given state is the validity period for all DL/IDs in that state.

DHS is aware that within a State DL/IDs often have varying validity periods but was unable to determine how many people held each of these varying types of credentials and when they were issued. (For more details, see the discussion of Validity Periods in the Status Quo section.) Also, the proposed regulation would create a one-year license for certain aliens. DHS was able to determine that some people already hold such licenses, but not *how many* people hold them. DHS was also unable to determine how many people would hold them under the proposed REAL ID rule. (Not all aliens would receive one-year licenses. Further, not all of those who would receive a one year license, were they to receive a REAL ID, will apply.) While not perfect, using the typical validity period of DLs was the most reliable method available to estimate future issuances.

IV.A.2. Estimate Uncertainty

OMB Circular A-4 requires a formal quantitative treatment of uncertainty for rules expected to have costs or benefits exceeding $1 billion in any one year. Because the estimated costs of implementing the Real ID program exceed $1 billion in nearly all 10 years following the program's commencement, we have conducted formal assessment of the effects of uncertainty for some of the more significant variables affecting these costs estimates. Circular A-4 identifies three factors that may be considered in the formal treatment of uncertainty, including uncertainty about the inputs or outcomes related to the regulation's implementation or impact, uncertainty about the economic costs associated with these factors, and uncertainty about important assumptions that are used to keep the regulatory impact analysis tractable.

The significant sources of uncertainty in the cost estimates for the REAL ID program identified below include examples of all three of these. These sources of uncertainty were chosen based on their materiality to the overall estimated costs of implementing REAL ID, their significance within the overall cost structure and the potential for conducting a relatively straightforward assessment of the uncertainty that could be clearly communicated to readers. There are many factors that influence the costs of implementing the REAL ID program, and strictly speaking, uncertainties are associated with each of them. It is neither feasible nor practical to attempt to model each of these uncertainties, which may be related to one another in complex ways. Instead, we have focused on the four specific sources of material uncertainty in the costs of REAL ID. The analyses and discussions presented below are preliminary ones, which can be

improved by further analysis and from assessment and comment by interested parties. We will continue to develop this analysis for the final rule.

In some cases it is possible to calculate probability distributions that characterize the uncertainty for variables we have chosen for this analysis, and to use them to report expected values and measures of variability. These calculations may be done using either direct calculation from the probability distributions or by using Monte Carlo simulation of repeated sampling from the distribution of interest. Both techniques are used in the following analysis. In other cases, there is not sufficient information to create a numerical distribution that characterizes a specific uncertainty, although the nature and importance of the risk or uncertainty identified can be qualitatively described and related to historical data similar in nature.

Opportunity Costs to Real ID Recipients

As discussed in the cost analysis, those who must apply for a REAL ID card must devote time to a variety of activities, such as acquiring documents and waiting for service at driver's license bureaus. This time could be used in more enjoyable or remunerative ways by these individuals, so the imposition of the REAL ID process represents an *opportunity cost* to them. DHS has identified two sources of uncertainty affecting the aggregate societal costs associated with these opportunity costs. Although one of these sources of uncertainty turns out, upon further analysis, not to contribute materiality to the variability of annual opportunity costs, both are discussed below.

The value of time for individuals has long been a topic of interest to economists, and a large body of literature exists which discusses the issue from many points of view. An important subfield in this area addresses the value of time for travelers, who may face delay or lost time due to transportation system glitches or congestion, and who may reap time savings due to technological or institutional improvements in transportation systems and infrastructure. A summary of some of this literature, in general and in transportation specifically, has been compiled by TSA.[47] A copy of this literature review is included with this regulatory evaluation as an appendix. DHS continues research on this issue and may revise the methodology in the final rule. DHS is very interested in receiving comments about recent research on the value of time and how surveys on the willingness to pay for security might be considered in selecting an appropriate economic opportunity cost value.

The wage rate (with or without the cost of employment fringe benefits such as insurance) is often used as a proxy for the value or opportunity cost of time for individuals, since time spent in such personally unproductive pursuits such as acquiring a REAL ID card could have instead been put to productive use. However, since wage rates vary across individuals, so too does the opportunity cost of time vary across individuals. The baseline analysis conducted in the regulatory evaluation uses average national wage rates from the Bureau of Labor Statistics (BLS), but BLS also publishes some percentiles for national wage rates, and these percentiles could be used to develop a distribution for wage rates which could in turn be used to more accurately represent the uncertainty about the actual opportunity costs incurred by those acquiring the REAL

[47] *Opportunity Cost of Travel Time,* GRA, Inc., prepared for Transportation Security Administration, 2006.

ID card. This is important to consider because it is not known which individuals will need to pursue any particular step in the process of acquiring a REAL ID card.

BLS reports national wage rates for several percentiles within the national distribution of wages and compensation; these rates are reported for both simple wages and salaries and for fully loaded wage and salary rates that include the value of fringe benefits and non-monetary compensation. In its analyses of opportunity costs for those applying, DHS has used these simple unloaded rates since these rates reflect the value to individuals of compensation that would have been received for the time they spend occupied on REAL ID. BLS reports hourly compensation rates at the national 10^{th}, 25^{th}, 50^{th} (median), 75^{th} and 90^{th} percentiles; for this analysis linear interpolation has been used to generate wage rates at each 5% percentile. The distribution of national wage rates is shown in Figure 22.

Figure 22: Distribution of BLS Simple Wage/Salary Compensation

5%	$ 5.77
10%	$ 7.21
15%	$ 7.93
20%	$ 8.64
25%	$ 9.36
30%	$ 10.28
35%	$ 11.21
40%	$ 12.13
45%	$ 13.06
50%	$ 13.98
55%	$ 15.57
60%	$ 17.16
65%	$ 18.76
70%	$ 20.35
75%	$ 21.94
80%	$ 25.73
85%	$ 29.53
90%	$ 33.32
95%	$ 37.11
100%	$ 40.91

This distribution has a mean of $18.00, a variance of 102.8 and standard deviation of $10.14.

The information from this distribution can be used to identify the uncertainty inherent in annual opportunity cost estimates in the following way. For the second year of the REALID program, opportunity costs to individuals who are completing the process of obtaining a REAL ID total $1.73 billion (Figure 17 in the regulatory evaluation). This total results from a costing out of hours devoted to this process during the second year of REAL ID. Applying the percentile distribution of actual U.S. wage and salary rates to this number of hours results in a mean or expected opportunity cost in the second year of REAL ID of $1.73 billion, but this total is uncertain and is distributed with a standard error of $10.14 times the square root of the total

number of hours, or approximately $103,000. This result reflects the fact that the large sample size reduces the impact of variability. For this reason DHS does not regard this source of uncertainty as a significant one with respect to the opportunity costs associated with REAL ID.

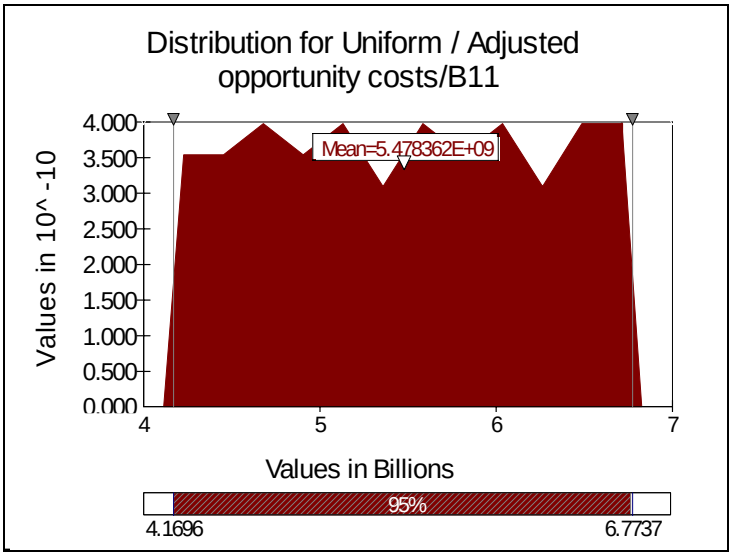
A second and more significant source of uncertainty about the aggregate opportunity costs that will be incurred by those obtaining REAL IDs is uncertainty about the number of individuals who will actually seek a REAL ID and thereby incur those costs. DHS has represented this uncertainty in the following way:

- Assumed that those seeking a REAL ID will be legal residents of the United States (an assumption which reduces the number of potential seekers of REAL IDs from 296,507,061 by approximately four per cent to 285,507,601).
- Assumed that the distribution for the percentage of these legal residents who would seek the REAL ID would have a maximum at 100 per cent of this number (which is 96.29% of the total U.S. population), and a minimum at 60 per cent of this number (or 57.77% of the total U.S. population), leaving the midpoint at 80 per cent (or 77.03% of the total U.S. population).
- Use Monte Carlo simulation to model the uncertainty about the actual proportion of the U.S. population who would seek the REAL ID, using two types of distribution:
    - A uniform distribution between the maximum and minimum percentage values
    - A symmetrical triangular distribution between the maximum and the minimum percentage values, with mode/median/mean value at the midpoint percentage value
- For each of these distributions on the population percentage, run the Monte Carlo simulation to create a distribution on the aggregate opportunity cost associated with it

The results from each of these simulations are reported below.

When the uniform distribution is used, the distribution of total opportunity costs due to seeking the REAL ID has characteristics as indicated in Figure 23.

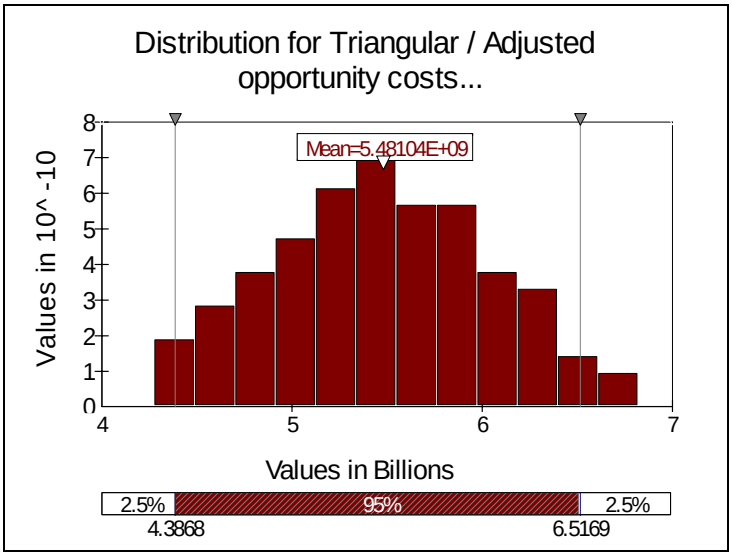
Figure 23: Simulated Distribution of Aggregate Opportunity Costs (Uniform Distribution on Proportion of Population Seeking REAL ID)



In this simulation, estimated values for aggregate opportunity costs range from $4.1 billion to $6.8 billion, with a mean of $5.5 billion. As shown in the figure, 95 per cent of the estimated values range between $4.17 billion and $6.77 billion.

Aggregate opportunity cost results using the triangular distribution on the proportion of the population seeking a REAL ID are shown in Figure 24 below.

Figure 24: Simulated Distribution of Aggregate Opportunity Costs (Symmetrical Triangular Distribution on Proportion of Population Seeking REAL ID)



For this simulation, estimated values for aggregate opportunity costs range from $4.2 billion to $6.8 billion, again with a mean of $5.5 billion. As shown in the figure, 95 per cent of the estimated values range between $4.38 billion and $6.52 billion. In addition, due to the assumption that a triangular distribution lay behind this aggregate result, the values are more concentrated around the mean value.

These estimates do not take account of other factors contributing to the costs of the REAL ID program, such as state costs or card production costs. In addition, it was assumed for this analysis that all states would choose to participate in the REAL ID program; if several states do not participate the range of population proportions would change accordingly. DHS therefore requests comments on any aspects of this analysis, including about factors that could influence the rate of participation by lawful residents in the REAL ID program.

Card Production Costs

A significant direct cost associated with the REAL ID program is the physical preparation and production of program-compliant identity cards or documents for individuals. The DHS best estimates for these costs are presented in Figure 81 on page 103, and these costs are a substantial part of the overall cost of implementing the REAL ID program. However, the environment in which this production process will evolve is uncertain in several ways. In any complex production

process, especially one producing a single type of good, there may be production economies over time, due to learning effects as well as the possibility of production innovations that will reduce the per card production cost. Because the production process is likely to be covered by multi-year, fixed price contracts between private firms and the government, there is an incentive for firms to seek such cost-reducing innovations to reduce their own margins. At the same time, the government will be aware of these innovations to some extent, since security requirements will cause the government to monitor any production process changes to ensure that security effectiveness is not compromised.

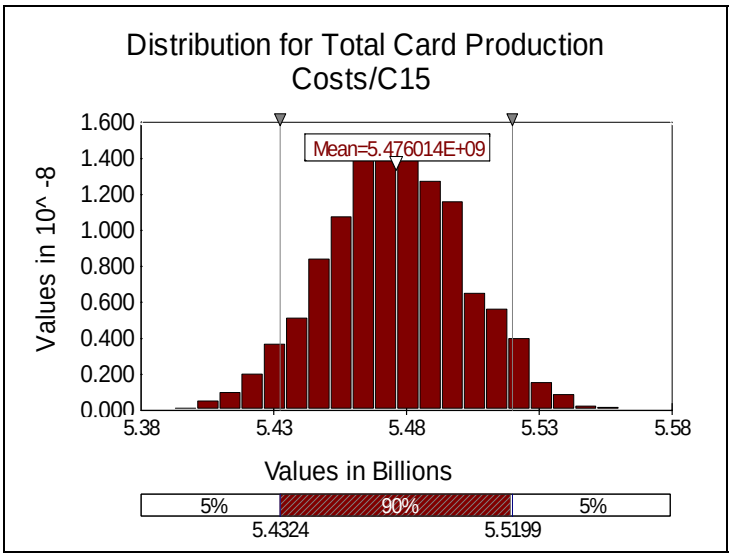
These possible cost-reduction outcomes may be tempered by uncertainties in the evolution of the security environment. Security efforts often resemble an arms race, with effective security measures rendered less effective by the malicious actions of our foes. An example of this is the possibility that in future years the REAL ID card could be easily forged, even though DHS believes that this would be difficult to accomplish today. If this type of change in the security environment occurs, there may need to be costly changes in the REAL ID card production process, which would increase the production costs compared to those estimated for a stable security environment. From today's perspective the timing and extent of these changes is entirely uncertain.

Distributional issues are also raised by the possibility of changes, up or down, in the cost to produce the REAL ID card. If the government and firms commit to production specifications and arrangements under long term contracts, such as 5 year contracts, unanticipated cost reductions advantage firms to the expense of society at large, while unanticipated cost increases due to changes in the security environment may impose additional costs on manufacturers.

It is impossible to assess the likelihoods of either the production cost reduction possibilities due to greater efficiencies in the production process or production cost increases due to a more stringent security environment. To represent this uncertain environment, we have constructed a sensitivity analysis around the current production cost estimates. For the analysis it is assumed that from year to year, production costs may remain constant, may increase 1% or 2%, or may decrease 1% or 2%. Each of these possibilities is assumed to be equally likely – each has a probability of 0.2. Thus, the upper bound of possibilities for card production costs over 10 years is 9 consecutive years of 2% increases in costs, which would result in a total increase of 19.5% in annual card production costs. The lower bound of possibilities is 9 consecutive years of 2% declines in costs, which would result in annual card production costs in year 10 that are 83.4% of those in year 1.

This uncertainty was modeled using the Monte Carlo simulation process with the @Risk software package. For each annual total cost for card production in years 2 through 10 shown in Figure 71 of the cost analysis, the form of uncertainty or sensitivity simulation described in the paragraph above was applied. The uncertainty was simulated over 5,000 iterations by the software package (each iteration represents a random draw for each of the years 2 through 10 of the "up or down" percentage change possibilities of no change or 1% or 2% change.) The resulting uncertainty around the mean or expected value of $5.475 billion is shown in Figure 25. Approximately 90 percent of the simulated values for total REAL ID card production costs occurred within $5.43 billion and $5.52 billion.

Figure 25: Distribution of Card Production Costs



Replacement Rates for Driver's Licenses and Social Security Cards

A somewhat unique cost driver within the REAL ID program is the number of people who will need to replace lost identification documents such as Social Security cards, birth certificates or driver's licenses in order to successfully apply for a REAL ID. These replacement obligations impose costs on states and the individuals. While data exists on the rates at which Social Security card replacements or driver's license replacements are requested, it is not certain how this rate will manifest itself in the future. To model this uncertainty in the absence of information about the distribution of this uncertainty, DHS will use the uniform distribution, which is commonly used in settings such as this, when little or no information is available about the shape of a probability distribution.

To establish a range of possible replacement rates to apply, DHS has considered the current replacement rate for Social Security cards, 4.09% per year, and the nationwide average for driver's license replacements, 10.17% per year. The Social Security card replacement rate will be used as the lower bound for the uniform distribution to be considered, and to be conservative, the upper bound will be set at double the driver's license replacement rate average, or 20.34%.

Thus, we specify a uniform distribution for this replacement rate that is defined for values between 4.09% and 20.34%. Using standard formulas for this distribution,[48] the mean or average is (4.09% + 20.34%)/2 or 12.22%. The variance is [(20.34% - 4.09%)^2]/12, or 0.0022, with standard deviation of 4.7%. The frequency with which replacement cards must be acquired will affect Real ID card implementation costs by causing individuals who need a replacement card to seek one earlier than normal expiration cycles would require. If a higher replacement rate comes about, costs for implementing REAL ID will be "front-loaded" into earlier years than would have happened with normal DL expiration cycles. In addition this "front-loading" will strain card

[48] See, for example, Kokoska and Nevison, *Statistical Tables and Formulae,* Springer-Verlag, 1989, p.7.

issuance and production capabilities while reducing demand for cards in later years, creating an imbalance in the utilization of the staffing and capital investments necessary to implement REAL ID.

Software Development and IT Risks and Uncertainties

A final important source of uncertainty about the outcome of the proposed REAL ID program lies in the assumptions used in the cost analysis for the program. This is not a criticism of the use of assumptions, since for any complex analysis it is essential to have clearly defined assumptions that govern the scenario under analysis. One major assumption buttressing the cost analysis is that "IT systems will be functional by the implementation deadline."

While it is important to maintain such an assumption in the analysis since it expresses the goal of the regulatory effort and is necessary to keep the analysis focused and tractable, it is equally important, from a risk analysis perspective, to consider the possibility that some of the IT systems necessary for the successful implementation of REAL ID will not become functional as scheduled or projected. This is true both because the IT systems and their coordination represent the backbone of the information management system represented by REAL ID and because there is ample historical evidence that complex IT systems often do not get finished on schedule, and frequently do not get finished at all.[49] In addition, this completion risk and other schedule and budget challenges appear to worsen as the underlying software/IT project becomes more complex.[50] It should be noted that the projects discussed in these papers are usually single (but large) IT or software development projects, while the IT challenges faced in the REAL ID program will involve coordinating updates for numerous and varied legacy software data management systems at each of the states.

The cost effects of schedule extensions that might be necessary for implementing the IT portions of REAL ID depend in part on the underlying causes of the extensions. If no significant shortcomings of the software design proposed for REAL ID reveal themselves, and there is only schedule slippage without a need to reconsider important programming issues, the effect may be to spread costs over a longer time period. If, however, the programming challenges that must be met to implement REAL ID turn out to be greater than expected and require significant "midcourse corrections" then there may be significant unanticipated IT costs.

In either case, because there is an on-going process of gathering and confirming new personal information about individuals that will take place in parallel with the development and deployment of software for REAL ID, disruptions in the software development process may lead to additional disruptions in the gathering and processing of the personal identity data that is fundamental to the workings of the REAL ID program and the issuance of compliant identification

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[49] M. Bronte-Stewart, *Developing a Risk Estimation Model from IT Project Failure Research,* http://cis.paisley.ac.uk/research/journal/V9/V9N3/failure.doc identifies a number of past studies of software and IT project failure rates and characteristics. A comprehensive bibliography of IT failure rate studies is also available in the paper.

[50] Capers Jones, *Social and Technical Reasons for Software Project Failures,* http://www.stsc.hill.af.mil/crosstalk/2006/06/0606Jones.html lays out a typology of risks that software and IT projects face, and analyzes industry experience with thousands of varied software and IT development and implementation projects. The bibliography in this paper is also wide ranging.

documents. It is not possible to anticipate what these costs might be, based on currently available information, but it would be imprudent and even unrealistic to assume that they will be modest.

IV.B. Use of identity documents

The people accepting DL/IDs for official purposes would need to become familiar with the new requirements and procedures. DHS is proposing a five-year phase-in for holders of previously issued DL/IDs. During the phase-in period people accepting DL/IDs for official purposes would need to—as a matter of operation, though not explicitly required by the regulation—recognize not only the new REAL IDs but also be able to determine if an unexpired previously issued DL/ID is from a REAL ID compliant state. (These DL/IDs would be acceptable for official purposes during the phase-in period.) Because REAL IDs use a common MRT, the Transportation Security Administration (TSA) considered requiring the use of machine readers on REAL IDs at airports. At this time TSA has rejected this policy alternative. DHS has estimated the cost of the rejected alternative.

In the earliest years of implementation, there would be a substantial number of previously issued, acceptable DL/IDs. DHS believes that the sooner that these DL/IDs are phased-out the better. DHS acknowledges that, requiring total compliance for official purposes as of May 11, 2008 would place onerous requirements upon both the States and the public. State DMVs would be incapable of completing in-person transactions with every DL/ID holder between publication of the Final Rule and the effective date of May 11, 2008. Additionally, such a mandate would require those who were not able to obtain a compliant license to either obtain an alternative acceptable form of identification (e.g. U.S. Passport) or forego the official purpose (e.g. boarding an aircraft, accessing a Federal facility). Therefore, to strike a balance between expediting security measures and offering flexibility and operational feasibility to the States, DHS is proposing a phase-in period.

The proposed rule would allow a five-year phase-in. Because the statute limits the validity of any compliant DL/ID to no more than eight years, DHS analyzed program phase-in options ranging from zero to eight years, taking into consideration the current DL/ID validity periods for all jurisdictions. Phase-in periods of less than four years were quickly eliminated because every state DL/ID typical validity period is at least four years. Counting existing four- and five-year credentials, plus those that are valid beyond five years and issued prior to 2008, (e.g. an eight-year license expiring in 2011), DHS estimates that 86.63 percent of credentials will naturally expire during the five year phase-in period. (See Figure 26.) Extending the phase-in period by one year would capture an additional 7 percent of the population. Allowing the full 8 years would capture an additional 12.62 percent of the population compared to the five-year phase-in.

Figure 26: Cumulative natural expirations of DLs (percent of DL holders from cutoff date)[51]

Years after cutoff	Cumulative expirations (% of DL population)	Difference from previous period (percentage points)
4	74.68%	-
5	**86.63%**	11.95%
6	93.64%	**7.00%**
7	96.78%	**3.14%**
8	99.26%	**2.48%**
Date of last expiration	100.00%	**0.74%**

Given the proposed phase-in schedule, DHS has estimated the number of previously state-issued DL/IDs that are acceptable for official purposes. At the beginning of program year two, the first year that the restriction on acceptance of DL/IDs would be in place, there will be an estimated 232.7 million previously issued DL/IDs. (See Figure 27.) By the final year of the phase-in, the number of previously-issued, acceptable DL/IDs would be 20.1 million. (For details on how phase-ins were estimated for each year, see Appendix A.)

Figure 27: DL/IDs remaining to be phased-in at the beginning of the program year (millions)

Year	DLs	IDs*	Total
1	NA	NA	NA
2	15.0	17.7	32.7
3	52.1	12.5	64.6
4	04.3	8.1	12.5
5	58.2	4.4	62.5
6	18.7	1.3	20.1
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

* IDs do not include NH, UT or WV due to lack of data.

Employees accepting DL/IDs for official purposes would need to determine if the credential presented to them is from a compliant state. (That determination would be easy if every State complies.) In the case of boarding an aircraft, usually airline employees and airport security staff examine identity documents. While Federal agents, per se, do not examine DL/IDs for air travel, the airline and airport personnel do so in order to comply with Federal requirements. Therefore, the proposed rule would require that these personnel only accept a state-issued DL/ID if it is a REAL ID. This would require—in practice, not as a matter of regulation—airlines and airports to train employees, as appropriate, on which states' documents are and are not acceptable.

[51] Based on DL life cycle data provided in AAMVA's first survey of 2006. DHS assumes even distribution of holders across the DL life cycle. DHS used a 9 year life cycle for the validity of all DLs that are valid for more than 8 years. This does not reflect lost/stolen cards.

The primary estimate of opportunity costs to train all employees on the acceptance of DL/IDs is $9.4 million over ten years with a low of $4.7 and high of 14.1 million. (See Figure 28.) These estimates do not include the cost to develop training programs and materials nor do they include the cost to educate State, local or other non- Federal Protective Service (FPS) law enforcement on the new DL/IDs. The estimate also does not include the cost to train security personnel at nuclear power plants. The cost of developing the training materials will likely be minimal. The nature of the proposed REAL IDs is such that they will be easily recognizable and any attempt to tamper with them should be readily apparent. Further, training for non-FPS law enforcement entities and security personnel may not impose a marginal cost as they typically have routine meetings to discuss changes in procedures and highlight any current, new or changing issues relevant to the mission at hand. This would be an appropriate time to brief other law enforcement and security officers on the REAL ID credentials. The Department welcomes comments on these assumptions.

Figure 28: Lost productivity to train agents for the acceptance of DL/IDs (thousands)

Year	Cost to train airline personnel	Cost to train airport personnel	Cost to train FPS agents	Total cost to train for DL/ID acceptance
1	$ -	$ -	$ -	$ -
2	4,974.3	119.3	354.9	5,448.4
3	452.2	10.8	32.3	495.3
4	452.2	10.8	32.3	495.3
5	452.2	10.8	32.3	495.3
6	452.2	10.8	32.3	495.3
7	452.2	10.8	32.3	495.3
8	452.2	10.8	32.3	495.3
9	452.2	10.8	32.3	495.3
10	452.2	10.8	32.3	495.3
Primary	**$ 8,591.9**	**$ 206.0**	**$ 613.0**	**$ 9,410.9**
Low	4,296.0	137.3	306.5	4,739.8
High	12,887.9	274.7	919.4	14,082.0

DHS estimated the number of airline personnel to be trained in each year. The initial number of employees to train are the reservation and transportation ticket agents and travel clerks working in the scheduled air transportation industry. DHS then applied a turnover rate to allow for employment churn. Multiplying the number of employees to train by the average time to train each and their fully loaded wage rate produces a 10 year opportunity cost estimate of $8.6 million to train roughly 187,000 airline personnel. (See Figure 29.) The primary estimate was adjusted down and up by 50 percent to establish the low and high estimates of $4.3 and 12.9 million, respectively.

Figure 29: Opportunity cost to train airline personnel[52]

Year	Employees to train	Turnover rate	Turnover employees to train	Total employees to train	Average hours to train	Average wage	Total cost to train (thousands)
1	-	10%	-	-	2	$ 22.95	$ -
2	98,530	10%	9,853	108,383	2	22.95	4,974
3	-	10%	9,853	9,853	2	22.95	452
4	-	10%	9,853	9,853	2	22.95	452
5	-	10%	9,853	9,853	2	22.95	452
6	-	10%	9,853	9,853	2	22.95	452
7	-	10%	9,853	9,853	2	22.95	452
8	-	10%	9,853	9,853	2	22.95	452
9	-	10%	9,853	9,853	2	22.95	452
10	-	10%	9,853	9,853	2	22.95	452
Primary	**98,530**		**88,677**	**187,207**			**$ 8,592**
Low (-50%)							4,296
High (+50%)							12,888

In addition to the airline ticket-counter employees, airports currently hire employees to check identification documents and boarding passes in front of the TSA screening checkpoint clusters. DHS has identified 803 of these checkpoint clusters at airports around the country. [53] DHS is unable to determine an exact count of employees used to execute the identification check in front of TSA checkpoints. However, DHS has estimated that on average between two and four employees are required to staff these positions. This results in an estimated 1,600 to 3,200 employees. The primary estimate assumes an average of three employees per checkpoint cluster or 2,400 employees. All existing employees must receive the training, as must any new (e.g. turnover) employees.[54] The estimated opportunity cost to train nearly 4,600 personnel is approximately $206,000. (See Figure 30.)

[52] Employment data from: U.S. Bureau of Labor Statistics. *November 2004 National 4-digit NAICS Industry-Specific Estimates*. SOC: 43-4181. Available at <http://www.bls.gov/oes/oes_dl.htm>. NAICS code: 481100 (scheduled air transportation) accessed May 2, 2006. NAICS code 481200 (nonscheduled air transportation) accessed Jul 14, 2006.
[53] DHS used PARIS, a TSA database used to track performance and various incidents to identify screening checkpoints. May 3, 2006.
[54] DHS does not have specific data about the churn for these employees; the rate used is a standard assumption. DHS welcomes any specific data regarding this issue.

Figure 30: Opportunity cost to train airport personnel

Year	Base personnel to train	Personnel to be trained (10% turnover)	Total personnel to train	Average hours to train	Hourly wage	Total cost (thousands)
1	-	-	-	-	-	-
2	2,409	241	2,650	2	$ 22.50	$ 119.3
3	-	241	241	2	22.50	10.8
4	-	241	241	2	22.50	10.8
5	-	241	241	2	22.50	10.8
6	-	241	241	2	22.50	10.8
7	-	241	241	2	22.50	10.8
8	-	241	241	2	22.50	10.8
9	-	241	241	2	22.50	10.8
10	-	241	241	2	22.50	10.8
Primary	**2,409**	**2,168**	**4,577**			**$ 206.0**
Low	1,606	1,445	3,051			137.3
High	3,212	2,891	6,103			274.7

As a policy option, TSA could decide to require machine readers for REAL IDs at airports. At this time, TSA rejects this policy option for a number of reasons. First, TSA does not require machine readers for other documents with MRZs (e.g. passports). Second, the use of a REAL ID in place of a current DL/ID would enhance security by ensuring that passengers are who they say they are when checked against intelligence databases. Finally, requiring machine readers would impose a cost upon air carriers and their agents. Nevertheless, DHS has estimated the cost for air carriers and airports to enable their agents to access the MRZ on REAL IDs. Most of the scanners would be fixed (via USB or other cables) to a computer workstation. Other scanners would need to be portable for different operating environments (e.g. temporary checkpoints) but would communicate wirelessly with a computer workstation. The Department estimates that on average scanners would cost $250 and PC bundles would cost $766. (See Figure 31.)

Figure 31: Unit cost of PDF417 scanner platforms [55]

Item	Estimated unit cost
Handheld scanners (wired to PC)	$151
Portable scanners	$1,143
Average scanner (90% handheld, 10% portable)	**$250**
Scanner maintenance (10% of acquisition)	$25
PC bundle	$766
Maintenance (10% of acquisition)	$77

The Department assumes that each screening checkpoint would need both a scanner and a desktop workstation. The number of passenger check-in locations (e.g. curb side and ticket counter locations) was unavailable. (This is inconsequential to the overall cost estimate because this portion serves only as an analysis of a policy alternative. However, DHS assumes that check-in locations are typically computerized and would therefore only require the scanner, not the desktop workstation.) Without including scanners for passenger check-in areas, the policy alternative would require 803 scanners and 803 desktop workstations. (See Figure 32.)

Figure 32: Alternative policy option: Required scanners and platforms

Year	Screening checkpoints	Passenger check-in *	Total scanners	Total desktops
	A	B	(A+B)	(A only)
1	803	NA	803	803
2	803	NA	803	803
3	803	NA	803	803
4	803	NA	803	803
5	803	NA	803	803
6	803	NA	803	803
7	803	NA	803	803
8	803	NA	803	803
9	803	NA	803	803
10	803	NA	803	803

* Data not available.

Multiplying the number of scanners and desktops in Figure 32 by the cost estimates in Figure 31 produces the total cost estimate of $10.1 million to supply airports with platforms to access the MRZ, which appears in Figure 33.

[55] Scanner and PC prices based on DHS internet search on Jun 14, 2006.

Figure 33: Alternative policy option: Cost to outfit airports with platforms to read MRT

	Scanners			Desktops			
Year	Number required *	Acquisition (thousands)	Maintenance (thousands)	Number required	Acquisition (thousands)	Maintenance (thousands)	Total (Thousands)
1	803	$ 201.1	$ 61.5	803	$ 614.7	$ 61.5	$ 1,741.7
2	803	-	61.5	803	-	61.5	925.9
3	803	-	61.5	803	-	61.5	925.9
4	803	-	61.5	803	-	61.5	925.9
5	803	-	61.5	803	-	61.5	925.9
6	803	-	61.5	803	-	61.5	925.9
7	803	-	61.5	803	-	61.5	925.9
8	803	-	61.5	803	-	61.5	925.9
9	803	-	61.5	803	-	61.5	925.9
10	803	-	61.5	803	-	61.5	925.9
Total		$ 201.1	$ 614.7		$ 614.7	$ 614.7	$ 10,075.2

* Does not include scanners for passenger check-in locations.

DHS Immigrations and Customs Enforcement (ICE) houses the Federal Protective Service, which oversees the contract guards that protect Federal facilities. ICE reports having 10,000 armed contract agents. Applying a 10% turnover rate for nine years produces an estimate of 19,000 FPS agents to be trained in the acceptance of DL/IDs. (See Figure 34.)

Figure 34: Number of agents to be trained for other official purposes[56]

Year	Baseline armed contract agents	Turnover (10%)	Total
1	-	-	-
2	10,000	1,000	11,000
3	-	1,000	1,000
4	-	1,000	1,000
5	-	1,000	1,000
6	-	1,000	1,000
7	-	1,000	1,000
8	-	1,000	1,000
9	-	1,000	1,000
10	-	1,000	1,000
Total	10,000	9,000	19,000

Multiplying the number of agents to be trained by two hours each for training and their wage rate produces a primary opportunity cost estimate of $613,000. (See Figure 35. See Appendix D for details on wage rates.) Adjusting the primary estimate by +/- 50 percent produces a range from $306,500 to $919,400.

[56] Immigration and Customs Enforcement. U.S. Department of Homeland Security. *Security and Law Enforcement Services*. Available at <http://www.ice.gov/partners/partners/org_seclawenforce.htm> Accessed Jun 29, 2006.

Figure 35: Opportunity cost to train FPS agents

				Total (thousands)		
Year	Agents to train	Hours	Cost/hour	Primary	Low (-50%)	High (+50%)
1	-	-	$ 16.13	$ -	$ -	$ -
2	11,000	2	16.13	354.9	177.4	532.3
3	1,000	2	16.13	32.3	16.1	48.4
4	1,000	2	16.13	32.3	16.1	48.4
5	1,000	2	16.13	32.3	16.1	48.4
6	1,000	2	16.13	32.3	16.1	48.4
7	1,000	2	16.13	32.3	16.1	48.4
8	1,000	2	16.13	32.3	16.1	48.4
9	1,000	2	16.13	32.3	16.1	48.4
10	1,000	2	16.13	32.3	16.1	48.4
Total	19,000			$ 613.0	$ 306.5	$ 919.4

The Nuclear Regulatory Commission reports that as of early June, 2006 there were 104 operating nuclear power plants in the United States.[57] DHS is unable to determine the number of security agents at nuclear power plants that would need training on the acceptance of DL/IDs for official Federal purposes. Accordingly, the Department requests relevant data from these facilities and/or the Nuclear Regulatory Commission.

IV.C. Population

DHS acknowledges that not every resident flies or visits a Federal facility, including courthouses, in a given year. However, because people may have to unexpectedly make a trip via commercial aircraft or visit a Federal facility that requires identification, DHS has assumed that all legally present U.S. residents (both citizens and aliens) need to have some form of identification that is acceptable for official purposes.

There will be an estimated 232.7 million DL/ID holders at the beginning of the phase-in period (program year two).[58] DHS applied a lost/stolen rate of 10.17% which slightly accelerates the replacement of previously issued DL/IDs.[59] This lost/stolen rate also includes any reason a DL/ID would be reissued with the exception of a natural expiration. The phase-in estimate for each year is the number of DL/IDs DHS expects will naturally expire in that year less any previously replaced lost/stolen DL/IDs that would have expired in that year.[60] (This does not include renewals.) As shown in Figure 36, the issuances used to replace previously-issued DL/IDs are front-loaded. (For details on the calculation of the phase-in issuances see **Appendix A**.) DHS

[57] U.S. Nuclear Regulatory Commission. *Power Reactors*. Available at <http://www.nrc.gov/reactors/power.html>. Revised Jun 2, 2006. Accessed Jul 11, 2006.
[58] Estimates of DL/ID holders by year were established in Figure 3 on page 10.
[59] This is the mean difference between expected non-initial issuances and documented non-initial issuance of driver licenses. Expected issuance is the number of DLs on file divided by the life-cycle of the DL. Documented issuances are any non-initial issuances divided by the number of DLs on file, both as reported in AAMVA's first 2006 survey.
[60] DHS assumes that the distribution of residents of States whose DL/IDs' lifecycles are more than 5 years will be even over the five-year phase-in before applying the lost/stolen statistic.

estimated the issuances due to growth by summing the products of the 2005 ratio of initial issuances to population age 16+ by state and population age 16+ by state by year. This estimate includes issuances for internal migration and gross population growth. Consequently, the initial issuance estimate is higher than the DL/ID holder population because of domestic migration and the difference between in and out immigration. The issuance due to growth increases each year, as can be expected due to gross population growth. Adding the estimated 182 million growth issuances to the 232.7 million pre-existing replacement provides a 10-year total of 414.8 million *initial* REAL ID issuances.

Figure 36: REAL ID initial issuances (millions)

	Pre-existing DL/ID replacements				
Year	Phase-in	Lost/stolen	Subtotal	Growth	Total initial issuances
1	-	-	-	-	-
2	49.5	18.6	68.1	19.4	87.5
3	39.4	12.7	52.1	19.6	71.7
4	42.9	7.1	49.9	19.8	69.8
5	40.2	2.3	42.5	20.0	62.5
6	20.1	-	20.1	20.2	40.3
7	-	-	-	20.4	20.4
8	-	-	-	20.6	20.6
9	-	-	-	20.9	20.9
10	-	-	-	21.1	21.1
Total	192.0	40.7	232.7	182.0	414.8

DHS also estimated re-issuances of REAL IDs. Re-issuances are comprised of renewals (expiring DL/IDs) and other re-issuance (e.g. lost, stolen, damaged, reinstatements, etc.). The renewals estimate assumes that each state's validity period will remain the same unless it currently exceeds the REAL ID limit of eight years, in which case DHS assumes the state would choose an eight-year validity period. Both expiring and lost/stolen re-issuances are based on the number of REAL ID holders, which is equal to the total number of DL/ID holders minus the number of people that still hold previously-issued DL/IDs. From program years 2 through 10 there would be an estimated 398 million re-issuances of REAL IDs. (See Figure 37.)

Figure 37: Re-issued REAL IDs (millions)

Year	Total DL/ID population	Holders of previously issued DL/IDs (end of year)	Holders of REAL IDs at end of year	Expiring	Other re-issuances (lost/stolen)	Total re-issuances
1	-	-	-	-	-	-
2	232.7	164.6	68.1	-	6.9	6.9
3	235.1	112.5	122.6	-	12.5	12.5
4	237.4	62.5	174.8	-	17.8	17.8
5	239.6	20.1	219.5	14.8	22.3	37.1
6	241.7	-	241.7	28.2	24.6	52.8
7	243.7	-	243.7	37.8	24.8	62.6
8	245.7	-	245.7	39.8	25.0	64.7
9	247.6	-	247.6	46.5	25.2	71.6
10	249.7	-	249.7	46.8	25.4	72.2
Total				213.9	184.4	398.3

DHS added the estimated 414.8 million initial issuances to the 398.3 million re-issuances to estimate that a total of 813 million of REAL IDs would be issued from program year two through 10. (See Figure 38.)

Figure 38: Total REAL ID issuances (millions)

Year	Initial issuance	Re-issuance	Total
1	-	-	-
2	87.5	6.9	94.4
3	71.7	12.5	84.2
4	69.8	17.8	87.5
5	62.5	37.1	99.6
6	40.3	52.8	93.1
7	20.4	62.6	83.1
8	20.6	64.7	85.4
9	20.9	71.6	92.5
10	21.1	72.2	93.3
Total	414.8	398.3	813.0

DHS developed two possible estimates for the distribution of in-person and remote issuances. The first estimate uses the method developed on page 18. Based on data from AAMVA's second survey it assumes that remote issuances are equal to 10.5 percent of re-issuances. The remaining re-issuances and all of the initial issuances are counted as in-person transactions. This method yields a total of 771.2 million in-person and 41.8 million remote transactions from program years 2 through 10. (See Figure 39.) In summarizing the responses to their survey, AAMVA calculated that 7.98 percent of all transactions are conducted using remote methods. Using this method yields 748.2 million in-person and 64.9 million remote transactions from years 2 through 10. The significance of the difference between the two methods becomes apparent when calculating the new distribution between in-person and remote issuances.

Figure 39: Estimate of in-person and remote renewals (millions)

			DHS estimate			AAMVA-based estimate		
	A	B	C	= A - (B x C)	=B x C	D	= A x (1 - D)	= A x D
Year	Total issuances	Total re-issuances	Remote re-issuance rate	**In-person**	**Remote**	Remote re-issuance rate	In-person	Remote
1	-	-	10.50%	**-**	**-**	7.98%	-	-
2	94.4	6.9	10.50%	**93.7**	**0.7**	7.98%	86.9	7.5
3	84.2	12.5	10.50%	**82.9**	**1.3**	7.98%	77.5	6.7
4	87.5	17.8	10.50%	**85.7**	**1.9**	7.98%	80.6	7.0
5	99.6	37.1	10.50%	**95.7**	**3.9**	7.98%	91.6	7.9
6	93.1	52.8	10.50%	**87.5**	**5.5**	7.98%	85.6	7.4
7	83.1	62.6	10.50%	**76.5**	**6.6**	7.98%	76.4	6.6
8	85.4	64.7	10.50%	**78.6**	**6.8**	7.98%	78.6	6.8
9	92.5	71.6	10.50%	**85.0**	**7.5**	7.98%	85.1	7.4
10	93.3	72.2	10.50%	**85.7**	**7.6**	7.98%	85.9	7.4
Total	813.0	398.3		**771.2**	**41.8**		748.2	64.9

Under the proposed rule there would be an estimated increase of 16.1 million issuances nation-wide. (See Figure 40.) DMVs would see an estimated decrease in re-issuances of 216.6 million but an increase in initial issuances of 232.7 million. These estimates are the result of subtracting the yearly baseline issuances from the yearly REAL ID issuances. (For the development of those estimates, see Figure 4 and Figure 38, respectively.) Program year three shows a decrease in the total issuances of DL/IDs over the status quo. This results from the assumed behavior of people in States where DL/IDs are currently valid for more than eight years. The DHS model assumes that these people will plan on spreading themselves evenly over the five-year phase-in period. However, some will unexpectedly have their DL/ID lost or stolen in year two (the first year of the phase-in). Consequently, some of those who were planning on renewing (early) in year three (the second year of the phase in) no longer need to as they were enrolled into REAL ID when they replaced their lost/stolen DL/ID. In years seven and eight the number of re-issuances is lower than the status quo due to those people who held previously-issued DL/IDs that would have expired in these two years. Under the proposed rule, those people would have received their initial REAL ID—which would expire during or after the ninth year if it has an eight-year validity period—sometime during the phase in period. Over time, the number of re-issuances would increase due to the proposed maximum eight-year life-cycle.

Figure 40: Marginal increase in issuance over status quo (millions)

	Total issuances		Marginal issuances		
Year	Baseline	REAL ID	Initial	Re-issuances	Total
1	-	-	-	-	-
2	85.2	94.4	68.1	(58.9)	9.2
3	86.1	84.2	52.1	(54.1)	(1.9)
4	87.0	87.5	49.9	(49.4)	0.6
5	87.8	99.6	42.5	(30.7)	11.8
6	88.6	93.1	20.1	(15.6)	4.4
7	89.4	83.1	-	(6.3)	(6.3)
8	90.2	85.4	-	(4.8)	(4.8)
9	90.9	92.5	-	1.6	1.6
10	91.7	93.3	-	1.6	1.6
Total	796.9	813.0	232.7	(216.6)	16.1

Using the DHS estimate of in-person and remote transactions provides a marginal increase of 38.9 million in-person transactions and a decrease of 22.7 million remote transactions from year two through ten. (See Figure 41.)

Figure 41: DHS estimate of marginal transactions, in-person vs. remote (millions)

	In-person			Remote			**Total transaction s increase**
Year	Status Quo	REAL ID	**Increase**	Status Quo	REAL ID	**Increase**	
1	-	-	**-**	-	-	**-**	**-**
2	78.3	93.7	**15.4**	6.9	0.7	**(6.2)**	**9.2**
3	79.1	82.9	**3.7**	7.0	1.3	**(5.7)**	**(1.9)**
4	79.9	85.7	**5.8**	7.1	1.9	**(5.2)**	**0.6**
5	80.7	95.7	**15.0**	7.1	3.9	**(3.2)**	**11.8**
6	81.4	87.5	**6.1**	7.2	5.5	**(1.6)**	**4.4**
7	82.1	76.5	**(5.7)**	7.2	6.6	**(0.7)**	**(6.3)**
8	82.9	78.6	**(4.3)**	7.3	6.8	**(0.5)**	**(4.8)**
9	83.6	85.0	**1.4**	7.4	7.5	**0.2**	**1.6**
10	84.3	85.7	**1.4**	7.4	7.6	**0.2**	**1.6**
Total	732.3	771.2	**38.9**	64.6	41.8	**(22.7)**	**16.1**

In contrast, using the AAMVA-based estimate of in-person and remote transactions shows a marginal increase of 1.3 million remote transactions. Consequently, the increase of in-person transactions, 14.9 million, is a smaller increase than under the DHS estimate. The proposed rule would require applicants to appear in-person at least for their first transaction in order to provide their source documents. This requirement should lead to a temporary decline in remote renewals. The DHS estimate is consistent with this expectation and therefore is used throughout the rest of the analysis. The Department welcomes comment on the use of either approach to determine the distribution of issuances between remote and in-person processes.

Figure 42: AAMVA-based estimate of marginal issuances, in-person vs. remote (thousands)

	In-person			Remote			
Year	Status quo	REAL ID	**Increase**	Status quo	REAL ID	**Increase**	**Total transactions increase**
1	-	-	**-**	-	-	**-**	**-**
2	78.4	86.9	**8.5**	6.8	7.5	**0.7**	**9.2**
3	79.2	77.5	**(1.8)**	6.9	6.7	**(0.2)**	**(1.9)**
4	80.0	80.6	**0.5**	6.9	7.0	**0.0**	**0.6**
5	80.8	91.6	**10.8**	7.0	7.9	**0.9**	**11.8**
6	81.5	85.6	**4.1**	7.1	7.4	**0.4**	**4.4**
7	82.3	76.4	**(5.8)**	7.1	6.6	**(0.5)**	**(6.3)**
8	83.0	78.6	**(4.4)**	7.2	6.8	**(0.4)**	**(4.8)**
9	83.7	85.1	**1.5**	7.3	7.4	**0.1**	**1.6**
10	84.4	85.9	**1.5**	7.3	7.4	**0.1**	**1.6**
Total	733.3	748.2	**14.9**	63.6	64.9	**1.3**	**16.1**

IV.D. Applications

Costs associated with filing applications fall into three categories: pre-enrollment; staffing, and; applicant visits. Most of the estimates in the applications section are dependant upon the marginal number of initial applications and are therefore greatest during the phase-in period. The marginal cost estimates relating to applications range from $8.2 to 19.8 billion with the primary estimate falling at $15.3 billion. (See Figure 43.) These costs include applicants' preparation, information awareness campaigns, increased staffing to process applications and time spent by applicants at DMVs.

Figure 43: Summary of application related costs (millions)

Year	Pre-enrollment	Customer Service	Applicant Visits	Total
1	$ -	$ -	$ -	$ -
2	1,654.7	1,345	441.5	3,440.8
3	1,259.9	1,345	346.0	2,950.5
4	1,229.1	1,345	333.5	2,907.1
5	1,086.8	1,345	289.2	2,720.6
6	631.5	1,345	155.6	2,131.6
7	211.9	44	36.1	291.9
8	214.1	44	36.4	294.9
9	216.3	45	36.8	297.9
10	218.6	45	37.2	301.0
Primary	$ 6,723	$ 6,901	$ 1,712	$ 15,336
Low	3,608	3,451	1,170	8,229
High	10,064	7,080	2,625	19,769

IV.D.1. Pre-enrollment

This section discusses how DHS estimated the annual costs of state's information awareness campaigns and the cost to applicants of preparing their application. The pre-enrollment cost estimates range from $3.6 to 10.1 billion with the primary falling at $6.7 billion. (See Figure 44.) These costs include state campaigns to inform their DL/ID holders of new application processes and requirements as well as the cost for applicants to prepare their applications, obtain identity source documents and SSN cards.

Figure 44: Marginal pre-enrollment costs, primary estimate (millions)

Year	Information awareness	Applicants' preparation	Obtaining identity source documents	SSN card replacements	Total
1	$ -	$ -	$ -	$ -	$ -
2	76.5	1,029.7	391.1	157.4	1,654.7
3	-	819.0	304.3	136.6	1,259.9
4	-	791.9	292.8	144.4	1,229.1
5	-	694.5	252.5	139.9	1,086.8
6	-	399.2	130.9	101.4	631.5
7	-	135.2	22.2	54.5	211.9
8	-	136.6	22.4	55.1	214.1
9	-	137.9	22.6	55.7	216.3
10	-	139.3	22.9	56.4	218.6
Primary	$ 76.5	$ 4,283.3	$ 1,461.7	$ 901.3	$ 6,722.8
Low	67.5	2,342.3	522.5	676.0	3,608.3
High	135.0	6,224.2	2,578.2	1,126.6	10,064.0

Information awareness campaigns

While not required by the regulation, DHS anticipates that States will embark on public awareness campaigns to reduce the number of repeat trips made by applicants to DMV locations. The Department would coordinate with States to assist with information awareness at the national level. The second AAMVA survey of 2006 asks States to estimate their expenditures for this endeavor. Unfortunately, the responses to that survey will not be available to the Department until a later date. However, while responding to AAMVA's first survey of 2005, one State estimated that they would spend $1.5 million on a media campaign. (See Figure 45.) If divided by their estimated number of DL/ID holders, they would spend $0.29 per DL/ID holder on the media campaign.

Figure 45: One State's DMV media campaign estimate [61]

Media campaign estimate	DL/ID holders (2008, DHS est.)	Media $ per DL/ID holder
$1,500,000	5,100,000	$0.29

There are two possible methods to estimate national spending on media campaigns based on the State's DMV estimate. The first and primary estimate multiplies their estimate by 51 States for a national total of $76.5 million. (See Figure 46.) The second method is to multiply the calculated per DL/ID holder expenditures by the national DL/ID population which produces an estimate of $67.5 million. Lacking better data, DHS multiplied the lesser estimate by two to estimate a high of $135 million for information awareness campaigns. The Department invites DMVs to submit estimates on the cost of information awareness campaigns.

Figure 46: Cost of information awareness campaigns

Primary estimate		
One State's DMV estimate (millions)	States	Total (millions)
$1.5	51	$76.5

Low estimate		
Per DL/ID holder	DL/ID Holders, 2008 (millions)	Total (millions)
$0.29	232.7	$67.5

High estimate*		
Low estimate (millions)	Upwards adjustment factor	Total (millions)
$67.5	2	$135.0

* This effectively doubles the per DL/ID holder cost

Application preparation

DHS acknowledges that applying for a REAL ID would constitute a change in the process for applicants when compared to the status quo. The time that applicants spend preparing an application could be spent in other ways (e.g. work, leisure, etc.). (Cost of time information is in **Appendix D** and time estimates are in **Appendix F** .) The phase-in applicants would normally use their states' re-issuance processes, which are often abbreviated. Under REAL ID they would need to complete the equivalent of an initial application. People would need to familiarize themselves with the new requirements and collect any of the required source documents that they have readily available. Under REAL ID, the cost for applicants to prepare their applications would increase by $1.5 to 4.6 billion with the primary estimate at $3.1 billion. (See Figure 47.)

[61] One DMV's response to AAMVA's first survey of 2005.

Figure 47: Marginal cost for phase-in applicants to prepare applications

Year	# of phase-ins (millions)	Average value of time (hourly wages/salaries & benefits)	Average preparation time (hours)	Total value of time (millions)
1	-	$ 26.46	0.50	$ -
2	68.1	26.46	0.50	901.6
3	52.1	26.46	0.50	689.5
4	49.9	26.46	0.50	660.8
5	42.5	26.46	0.50	562.0
6	20.1	26.46	0.50	265.3
7	-	26.46	0.50	-
8	-	26.46	0.50	-
9	-	26.46	0.50	-
10	-	26.46	0.50	-
Primary	232.7			$ 3,079.3
Low	232.7		0.25	1,539.6
High	232.7		0.75	4,618.9

The marginal cost for a growth applicant is not as high as for a phase-in applicant. The growth applicants would complete an initial application whether or not the proposed rule was implemented. However, the proposed regulation has more stringent requirements than the status quo. DHS therefore expects that these applicants would need to spend more time than they currently do to familiarize themselves with the requirements and ensure that they have gathered all the necessary source documentation. Preparing applications for REAL ID would increase baseline costs by $803 million to $1.6 billion with the primary estimate at $1.2 billion from year two through 10. (See Figure 48.)

Figure 48: Marginal cost for growth applicants to prepare applications

Year	# growth issuances (millions)	Average value of time (hourly wages/salaries & benefits)	Average preparation time (hours)	Total value of time (millions)
1	-	$ 26.46	0.25	$ -
2	19.4	26.46	0.25	128.0
3	19.6	26.46	0.25	129.6
4	19.8	26.46	0.25	131.0
5	20.0	26.46	0.25	132.5
6	20.2	26.46	0.25	133.9
7	20.4	26.46	0.25	135.2
8	20.6	26.46	0.25	136.6
9	20.9	26.46	0.25	137.9
10	21.1	26.46	0.25	139.3
Primary	182.0			$1,204.0
Low			0.17	802.7
High			0.33	1,605.3

Once an individual has a REAL ID, they should not have any marginal cost to prepare for a renewal application. As long as the state maintains the images of the source documents and that information remains current, applicants would not need to bring any new source documents. In the case where some information has changed (e.g. name, address, authorized length of stay or basis for lawful status) the applicant should have those documents readily available. Consequently, the marginal economic increase in the cost of preparing for applications, not including obtaining not readily available source documents, ranges from $2.34 to 6.22 billion with a primary estimate of $4.28 billion. (See Figure 49.)

Figure 49: Marginal economic cost of preparing REAL ID applications (millions)

Year	Phase-ins	Growth issuances	Total
1	$ -	$ -	$ -
2	901.6	128.0	1,029.7
3	689.5	129.6	819.0
4	660.8	131.0	791.9
5	562.0	132.5	694.5
6	265.3	133.9	399.2
7	-	135.2	135.2
8	-	136.6	136.6
9	-	137.9	137.9
10	-	139.3	139.3
Primary	$ 3,079.3	$1,204.0	$4,283.3
Low	1,539.6	802.7	2,342.3
High	4,618.9	1,605.3	6,224.2

Obtaining identity source documents

DHS recognizes that some applicants would need to obtain one of the acceptable identity source documents for their initial REAL ID application. DHS assumes that citizens without any of the acceptable identity source documents readily available will seek state-verifiable birth certificates, which are issued by state or local governments. There are an estimated 16.8 to 82.9 million people, with the primary estimate at 47.0 million people that would need to obtain a state-verifiable birth certificate. The estimated economic cost to obtain a birth certificate is $31.08, each. (For further discussion of the cost of documents, the number of people to seek each and associated assumptions, see **Appendix B**.) Multiplying the unit cost by the number of people to seek a birth certificate yields an estimate ranging from $523 million to $2.6 billion, with a primary estimate of $1.46 billion. (See Figure 50.)

Figure 50: Marginal cost for applicants to obtain identity source documents

Year	People needing verifiable birth certificate (thousands)	Fees ($16.20 each), in millions	Opportunity costs ($14.88 each), in millions	Total
1	-	$ -	$ -	$ -
2	12,583	203.9	187.3	391.1
3	9,790	158.6	145.7	304.3
4	9,419	152.6	140.2	292.8
5	8,122	131.6	120.9	252.5
6	4,211	68.2	62.7	130.9
7	714	11.6	10.6	22.2
8	721	11.7	10.7	22.4
9	729	11.8	10.8	22.6
10	736	11.9	11.0	22.9
Primary	47,026	$ 761.8	$ 699.9	$ 1,461.7
Low	16,809	272	250	523
High	82,942	1,344	1,234	2,578

Alternatively, the Department considered requiring state-issued, as opposed to state-verifiable, birth certificates. DHS rejected this alternative because it would likely result in a higher cost with little perceived benefit. DL/ID applicants are likely to have locally-issued but state-verifiable birth certificates as opposed to state-issued birth certificates. Under this alternative those applicants would need to obtain a state-issued birth certificate. While individuals would each incur the same costs to obtain the documents, more people would do so thus raising the total cost of the provision. The proposed policy is the less expensive of the two.

Relaxing the assumption that all duplicate birth certificate applications will be filed on-line or through the mail would increase the estimated cost of acquiring birth certificates. However, the analysis assumes that more people would need to do this under the alternative option than under the chosen option. Consequently, changing this assumption does not change the Departmental determination that locally-issued but state-verifiable birth certificates should be acceptable as source documents for REAL ID.

SSN documentation

The benefit of verifying an individual's SSN can be obtained without presentation of the social security card itself. Indeed, more than half of States do not require, though some request, documentation of SSN. Those States are satisfied with the no-documentation approach because they verify SSNs through SSOLV. However, the Department has interpreted the REAL ID Act to require applicants to show some documentation of SSN. Accordingly, the proposal would require applicants to show a social security card, a W-2 or a pay stub showing both their name and social security number. The Department seeks comment on other alternative forms of documentation.

Most people have or could easily obtain one of the SSN documentation documents. Labor force participation rates ranged from 65.9 percent to 66.2 percent from November 2003 through

November 2004.[62] Because those rates are based upon resident population age 16+, we can infer that roughly 66 percent of DL/ID applicants would have a W-2 form from the previous year and would therefore not need to obtain a replacement SSN card if theirs is lost or has been stolen. Of the remaining 34%, most are likely to have a SSN card on hand. However, some DL/ID applicants will need to obtain a SSN replacement card as a result of REAL ID. DHS estimates that 19.3 million people would need a replacement SSN card where they would otherwise not need to replace their lost/stolen card. (See **Appendix B** for details on calculating the number of replacements.) The Social Security Administration estimates that each replacement costs them $25, which they do not pass to users through fees. The Department estimates that applicants for replacement cards experience $21.61 each in opportunity costs. Combined, the social cost of reissuing SSN cards is $46.61 each. Over ten years, the primary estimated cost of obtaining replacement SSN cards due to REAL ID is $901 million and could range from $676 million to $1.13 billion. The Department seeks comments and data regarding this estimate, especially the method used to estimate the population in **Appendix B**.

Figure 51: Cost of obtaining SSN replacement cards (millions)

Year	Applicants needing SSN replacement card (thousands)	Opportunity costs ($21.61 each), in millions	SSA expenditures ($25 each), in millions	Total
1	-	$ -	$ -	$ -
2	3,378	73.0	84.4	157.4
3	2,930	63.3	73.3	136.6
4	3,098	67.0	77.5	144.4
5	3,001	64.8	75.0	139.9
6	2,176	47.0	54.4	101.4
7	1,168	25.2	29.2	54.5
8	1,182	25.5	29.5	55.1
9	1,195	25.8	29.9	55.7
10	1,209	26.1	30.2	56.4
Primary	19,337	$ 417.9	$ 483.4	$ 901.3
Low		313.4	362.6	676.0
High		522.3	604.3	1,126.6

As an alternative, the Department considered accepting only the social security card as documentation of SSN. However, this option would have been too costly given that the value of SSN is in the verification, not the document itself. If the social security card was required, an estimated 56.8 million people would need to obtain a replacement card from year two through 10. (See Figure 52. For more details see Appendix B.) The economic cost would still be $46.61 each. Multiplying the number of applicants needing a replacement card by the cost of replacing the cards yields a primary estimate of $2.65 billion for years 2 through 10. Adjusting the primary by +/- 25 percent yields a range from $1.99 to 3.31 billion.

[62] U.S. Bureau of Economic Analysis. *Table D.1 Domestic Perspectives*. Jan 2005. Available at <http://www.bea.gov/bea/ARTICLES/2005/01January/D-Pages/0105DpgD.pdf>. Accessed Oct 11, 2005.

Figure 52: Alternative- Cost of obtaining SSN replacement cards (millions)

Year	Applicants needing SSN replacement card (thousands)	Opportunity costs ($21.61 each), in millions	SSA expenditures ($25 each), in millions	Total
1	-	$ -	$ -	$ -
2	9,935	214.7	248.4	463.1
3	8,618	186.2	215.5	401.7
4	9,113	196.9	227.8	424.7
5	8,825	190.7	220.6	411.3
6	6,399	138.3	160.0	298.3
7	3,436	74.2	85.9	160.1
8	3,476	75.1	86.9	162.0
9	3,516	76.0	87.9	163.9
10	3,556	76.8	88.9	165.7
Primary	56,874	$ 1,229.0	$ 1,421.9	$ 2,650.8
Low		921.7	1,066.4	1,988.1
High		1,536.2	1,777.3	3,313.6

The DHS proposal would require fewer individuals to seek a replacement SSN card than would the alternative. Consequently, the estimated impact of the proposal is lower than the estimated impact of the alternative. The Department welcomes comments and data on this issue.

IV.D.2. Customer service

State DMVs would need to increase their window hours to process the increased workload generated by REAL ID. The workload would increase as a result of previously issued DL/ID holders needing to complete a full initial enrollment where they otherwise would not have done so. These holders can be divided into two distinct categories: those would normally appear in-person for a renewal and those who would remotely renew their DL/ID. Increasing the number of window hours to accommodate the re-enrollment of this population would require more labor hours and more physical space. The Department has co-opted a modified version of the NGA, NCSL and AAMVA estimate for re-enrollments as its primary estimate for the duration of the phase-in period, for the time being.[63] DHS continued to use its methodology for the remaining four years that reflect changes to initial enrollments and renewals of REAL IDs. This combined methodology yields a primary estimate of $6,901 million over ten years, ranging from $3,451 million to $7,080 million. (See Figure 53. The following discussion contains more detail on the combined method.)

To establish the low estimate of $3,451 million, the Department adjusted the tri-party estimate by 50 percent and applied its estimate for years seven through ten. The high estimate of $7,080 million uses the tri-party estimate for the phase-in and its direct labor estimates for years seven through ten.

[63] The Department noticed a slight formula error: the Tri-party estimate weights transactions in the numerator when they should be weighted in the denominator. The weights should be the reciprocal of the weights used in the numerator. All of the estimates taken from the Tri-party data and methods employ the corrected formula.

Figure 53: Re-enrollment costs (millions)

Year	Amount
1	$ -
2	1,345
3	1,345
4	1,345
5	1,345
6	1,345
7	44
8	44
9	45
10	45
Primary	$ 6,901
Low	3,451
High	7,080

Using the NGA, NCSL and AAMVA data in the modified formula places the five-year cost of re-enrollment at $6.723 billion.[64] Spreading this cost evenly over years two through six (the phase-in years) yields an average annual cost of $1.345 billion. DHS has co-opted, for the time being, this estimate as the primary estimate for years two through six.[65] Because the Department is unable to determine that this estimate avoids "double counting", especially in combination with other estimates in this analysis, the tri-party estimate is also used as the high-end estimate for the phase-in period. The low estimate for the phase-in period reflects a downward adjustment by 50% of the tri-party estimate. Readers should also note that the even distribution of this estimate over years two through six does not affect the undiscounted ten-year estimate; however, it may affect the discounted estimates. Years seven through ten utilize the estimates established by the Department's original bottom-up method as described below.

The Department originally approached this estimate using a "bottom up" methodology. This method, detailed in the following text, begins by calculating the marginal increase labor hours required to staff DMV windows for REAL ID. Unfortunately, adequate information was not available to the Department regarding non-direct labor costs at DMVs. This results in an underestimation of costs associated with the proposed rule. Correspondingly, States or their representative organizations are invited to provide information and comments on non-direct labor costs. Given the work below, the most helpful information may be the ratio of direct labor to non-direct labor costs.

[64] NGA, NCSL and AAMVA. *The Real ID Act: National Impact Analysis*. Sep 2006, p 6.
[65] The Department acknowledges that its original method omits important cost factors. Contrastingly, the Department is unable to determine, at this time, if adoption of the tri-party estimate is over-inclusive given the estimation of other cost factors throughout this analysis. The Department intends to work cooperatively with the States and their representative organizations to resolve the discrepancies between the two methods.

Processing phase-in applications would require an estimated 14.3 to 38.2 million more productive hour**s**, with a primary estimate of 22.2 million productive hours. (See Figure 54. For details on processing time assumptions see Figure 132, located in **Appendix F** .)

Figure 54: Marginal processing hours for phase-ins, alternate estimate [66]

		Would have been remote under SQ			Would have been in-person under SQ			
Year	Total phase-in transactions (thousands)	Number (thousands)	Marginal increase per transaction (hours)	Required hours (thousands)	Number (thousands)	Marginal increase per transaction (hours)	Required hours (thousands)	Total (thousands)
1	-	-	0.20	-	-	0.08	-	-
2	68,150	7,157	0.20	1,431	60,992	0.08	5,083	6,514
3	52,114	5,473	0.20	1,095	46,641	0.08	3,887	4,981
4	49,950	5,246	0.20	1,049	44,704	0.08	3,725	4,775
5	42,480	4,461	0.20	892	38,019	0.08	3,168	4,061
6	20,055	2,106	0.20	421	17,949	0.08	1,496	1,917
7	-	-	0.20	-	-	0.08	-	-
8	-	-	0.20	-	-	0.08	-	-
9	-	-	0.20	-	-	0.08	-	-
10	-	-	0.20	-	-	0.08	-	-
Primary	232,749	24,444		4,889	208,305		17,359	22,248
Low			0.16	3,870		0.05	10,415	14,286
High			0.28	6,926		0.15	31,246	38,172

DMVs would also need more labor to process the initial applications due to growth. The marginal increase, however, will be smaller than for either type of re-issuance because 1) under the status quo, all initial applicants must appear in person and 2) DMVs must currently examine the source documents, enter information and process full applications for all initial applicants. Processing growth applications under the proposed rule would require an additional 6.1 to 24.3 million productive hours with a primary estimate of 12.1 million productive hours. (See Figure 55.)

[66] The estimated remote and in-person transactions do not match the status quo transactions by year due to accelerated re-issuance in the five-year phase-in period. The phase-in transactions were distributed by using the assumed remote re-issuance rate. (See page 67 for details on the method used to estimate remote transactions.)

Figure 55: Marginal processing hours for growth issuances

Year	Number of transactions (thousands)	Marginal increase per transaction (hrs)	Required hours (thousands)
1	-	0.07	-
2	19,357	0.07	1,290
3	19,587	0.07	1,306
4	19,807	0.07	1,320
5	20,023	0.07	1,335
6	20,235	0.07	1,349
7	20,441	0.07	1,363
8	20,645	0.07	1,376
9	20,852	0.07	1,390
10	21,063	0.07	1,404
Primary	182,009		12,134
Low		0.03	6,067
High		0.13	24,268

DHS estimates that there would be no increase in processing time for most re-issuances of a REAL ID compared to current re-issuance practices because compliant States would have the digital images of the applicants' source documentation from their initial application and therefore would not need to examine them again (though they do need to be electronically re-verified at each re-issuance). All non-temporary REAL ID holders only need to present their expiring REAL ID for a renewal. Other re-issuances will likely be handled similar to today's processes. The marginal labor requirements, therefore, are comprised of those from phase-in issuance and growth issuance. All together, the additional requirements would generate a need for 20.4 million to 62.4 million additional hours of labor, with a primary estimate of 34.4 million additional labor hours. (See Figure 56.)

Figure 56: Total application processing marginal labor hour increase (thousands)

Year	Phase-ins	Growth	Total
1	-	-	-
2	6,514	1,290	7,805
3	4,981	1,306	6,287
4	4,775	1,320	6,095
5	4,061	1,335	5,395
6	1,917	1,349	3,266
7	-	1,363	1,363
8	-	1,376	1,376
9	-	1,390	1,390
10	-	1,404	1,404
Primary	22,248	12,134	34,381
Low	14,286	6,067	20,353
High	38,172	24,268	62,439

DHS estimated the cost to complete one hour's worth of processing at $32.26. (See Figure 57.) This includes the total compensation of staff and managers. (For further information on the cost of compensation, see **Appendix D**).

Figure 57: Cost to complete an additional hour of application processing

Item		Value
a	Productive hours per FTE	1750
b	Paid hours per FTE	2080
c	Hourly cost of compensation per FTE	$ 24.92
d	FTEs per manager	20
e	Hourly cost of compensation per manager	$ 44.51
Combined cost of one hour of processing		**$ 32.26**
(=(1hr*(b/a)*c+1hr*(b/a)/d)*e)		

At $32.26 per productive hour, the proposed rule would require an additional $656.7 million to $2.01 billion with a primary estimate of $1.11 billion to process REAL ID applications. (See Figure 58.)

Figure 58: Marginal cost to process REAL ID applications

Year	Cost to process one hour	Hours required (thousands)	Marginal cost (millions)
1	$ 32.26	-	$ -
2	32.26	7,805	251.8
3	32.26	6,287	202.9
4	32.26	6,095	196.7
5	32.26	5,395	174.1
6	32.26	3,266	105.4
7	32.26	1,363	44.0
8	32.26	1,376	44.4
9	32.26	1,390	44.9
10	32.26	1,404	45.3
Total		34,381	$1,109.3
Low		20,353	656.7
High		62,439	2,014.6

DMVs provide services through windows at counters. In order to utilize their increased staff as estimated above, they would need to increase the total number of hours that windows are open for customer service. Increased total window hours can be accomplished by lengthening the hours that existing windows are open, increasing the number of windows or a combination of both. At this time, data regarding current unused space at DMVs, average space per workstation, workstations per employee, etc. are currently unavailable. The Department requests that State DMVs share facility operating expense data for each of the ways they may increase total window hours for further analysis.

IV.D.3. Applicant visits

Under the proposed regulation, REAL ID applicants would spend more time at DMVs than they do under the status quo. First, they would spend more time with the DMV agent at the window while their application is being processed. (The calculated estimate of hours is summarized in Figure 56 on page 80.) Additionally, applicants who would have renewed their DL/ID remotely under the status quo would need to appear in-person for their initial REAL ID. Consequently they would need to travel to the DMV and wait in line. Adding the queuing time (see **Appendix F**) and travel time then multiplying by the number of such transactions yields an estimate of the time increase ranging from 44.2 million to 99.2 million hours, with a primary estimate of 64.7 million hours, that these applicants will need to spend to take their application to the DMV. (See Figure 59 .) This estimate counts the processing time again because the first time it was counted only included the DMV labor time whereas this estimate is counting the same time for applicants. The estimate also includes round-trip travel time to the DMV. DHS assumes that round-trip travel time to the DMV is equal to round-trip travel time to work.

Figure 59: Marginal hours spent by applicants at DMVs

		Transactions that would have been remote				
Year	Increased base processing time (thousands)	# of transactions (thousands)	Average queuing time (hrs)	Average round-trip travel time (hrs) [67]	Subtotal (thousands)	Total increase (thousand hours)
1	-	-	0.43	0.81	-	-
2	7,805	7,157	0.43	0.81	8,880	16,684
3	6,287	5,473	0.43	0.81	6,790	13,078
4	6,095	5,246	0.43	0.81	6,508	12,603
5	5,395	4,461	0.43	0.81	5,535	10,930
6	3,266	2,106	0.43	0.81	2,613	5,879
7	1,363	-	0.43	0.81	-	1,363
8	1,376	-	0.43	0.81	-	1,376
9	1,390	-	0.43	0.81	-	1,390
10	1,404	-	0.43	0.81	-	1,404
Primary	34,381	24,444			30,327	64,708
Low	20,353	24,444			23,870	44,223
High	62,439	24,444			36,783	99,223

Multiplying the marginal visit hours by the average cost of time (see Appendix D) yields a monetized estimate of $1.17 billion to $2.63 billion, with a primary estimate of $1.71 billion, to applicants of visiting the DMV under the proposed regulation. (See Figure 60.)

[67] Mean travel time to work. U.S. Census Bureau. American Community Survey: 2003 Data Profile. Table 3. Selected Economic Characteristics. Available at <http://www.census.gov/acs/www/Products/Profiles/Single/2003/ACS/Tabular/010/01000US3.htm>. Accessed Jun 14, 2006.

Figure 60: Cost of marginal increase in DMV visits

Year	Cost of time	Marginal visit hours (thousands)	Total (millions)
1	$ 26.46	-	$ -
2	26.46	16,684	441.5
3	26.46	13,078	346.0
4	26.46	12,603	333.5
5	26.46	10,930	289.2
6	26.46	5,879	155.6
7	26.46	1,363	36.1
8	26.46	1,376	36.4
9	26.46	1,390	36.8
10	26.46	1,404	37.2
Primary		64,708	$ 1,712.2
Low		44,223	1,170.1
High		99,223	2,625.4

IV.D.4. Acceptable source documents

DHS had two goals when compiling the list of acceptable source documents. The first was to ensure that anyone eligible for a REAL ID would have or be able to obtain the necessary documentation to establish identity and lawful status. The second goal was to limit the list in order to contain the states' costs of verifying the documents validity with the issuing agency. Limiting the list also reduces the number of documents that DMV customer service agents would need to be familiar with in order to recognize fraudulent documents.

In addition to the eight documents listed in Figure 14 (see page 33), DHS considered accepting the Department of Defense's Common Access Card and the Transportation Security Administration's Transportation Worker Identification Credential (TWIC). While DHS has confidence in the security of these cards, anyone with either of these cards should be able to obtain one of the other documents on the list. However, only a select few of the people eligible for a REAL ID would be able to obtain a CAC or TWIC. Consequently, DHS has decided not to include DOD's CAC or TSA's TWIC in its proposal because States would then need to establish connections to two more database systems, some of which do not yet exist. The first goal of inclusiveness was met. Including the CAC and TWIC on the list, however, would violate the second goal of minimizing the states' costs of establishing connectivity with issuing agencies for verification purposes.

Finally, DHS considered including Native American tribal documents on the list. However, the Bureau of Indian Affairs indicated that, for approximately 55 years, tribes have been obtaining state-issued documentation to verify birth and thus have state-issued birth certificates. [68] Those born before this practice would need to seek birth certificates in accordance with

[68] Meeting with DHS in Rosslyn, VA. Oct 27, 2005.

established procedures within their birth State for obtaining birth certificates issued a year or more after birth.

DHS has determined that it is impossible to show and verify, for every applicant, that any given address is an applicant's *principal* address. Some applicants will not have an address and others will have multiple residences. Each of these would presumably have utility bills, a lease/mortgage, property taxes, etc. Having an assortment of these documents may show that the applicant has a residence at the address but it fails to show that it is the applicant's principal address. One document that does show principal address is a tax return. However, DHS has excluded tax returns as part of the regulatory requirement for two reasons. (States, however, may accept tax returns if they so choose.) First, not all *bona fide* applicants would necessarily have an appropriate tax form (e.g. those not filing taxes); requiring a tax form would prohibit those people from obtaining a REAL ID. Second, requiring a copy of a tax return for driver licensing or issuance of identification documents may raise significant privacy concerns.

DHS has determined that States have the best knowledge of which documents show an address of principal residence. Therefore, States will determine what they will accept to document an applicant's address. However, to ensure an acceptable minimum standard, DHS is requiring that documents issued monthly may be no more than three months old and that documents issued annually need to be from the most current year at the time of application. To ensure that the applicant has provided their "principal" residence, the proposed rule would require applicants to sign a declaration under penalty of perjury attesting to the accuracy of all information they provide.

DHS believes that there is no cost incurred in the act of presenting or accepting the source documents. Rather the costs are associated with applicants obtaining the document and DMVs scanning and verifying the authenticity of the document.

IV.D.5. Validity periods

The proposed rule would require States to limit the validity of their DL/IDs to no more than eight years and allows for a five-year phase-in. This requirement would only impose marginal costs in States where DL/IDs are valid for more than five years. Under the proposed rule, these States would see marginal costs resulting from either 1) a shortened life-cycle during the phase-in period, which is five years and/or 2) a permanently shorter validity period for States whose DL/IDs are currently valid for more than eight years. These costs would manifest in DMVs needing more staff and increased opportunity costs for DL/ID holders. Figure 36 (on page 66) accounts for the acceleration in applications due to the shorter phase in period for any State whose DL/IDs are valid for more than the phase in period. Figure 37 (on page 67) accounts for increased renewals due to shortened validity periods. Figure 60 includes the opportunity cost for DL/ID holders to visit DMVs more frequently due to shortened DL/ID life cycles.

IV.D.6. Remote re-issuance

DHS has determined that allowing remote re-issuance of DL/IDs facilitates long-term cost containment. Accordingly, the DHS proposal would encourage remote re-issuance for REAL IDs but leaves the choice to States. The marginal cost of this proposal to States currently allowing remote re-issuance is zero. The marginal cost to States not allowing remote re-issuance would also be zero.

DHS also recognizes that during the phase-in period there would be a shift in the distribution between remote and in-person transactions. DHS has estimated the shift to in-person transactions and the corresponding costs (e.g. increased staffing, opportunity cost of DL/ID holders standing in lines, etc.). The estimate of the change in distribution between in-person and remote method is in Figure 41.

IV.D.7. Front-end application processing

States would need to revise their front-end application processing. This includes moving the photo capture to the front of the process, ensuring verifications are complete before issuing a DL/ID, etc. However, these revisions can be completed through the re-programming of software. DHS has included these costs in the Data section. (The costs of increased labor to scan documents, enter more data, purchase hardware, etc. are included in the Staffing section, which begins on page 77).

IV.E. Verification

The proposed rule would require States to complete electronic verifications for all source documents that applicants present. States do not currently have connectivity to all of the systems that would be used to verify documents (e.g. EVVE, CCD). The cost estimates of verifying through those systems are included in the Data/IT section of this analysis. This section discusses the methods that DHS anticipates States will use to comply with the rule and provides estimates for systems that States currently use (e.g. SAVE, SSOLV). The cost of verifying lawful status, SSNs and resolving SSN discrepancies ranges from $1.6 to 166 million, with a primary estimate of $50.0 million.

Figure 61: Summary of document verification costs (thousands)

Year	SAVE	SSOLV	Total
1	$ -	$ -	$ -
2	5,159	1,009	6,167
3	4,425	774	5,199
4	4,646	742	5,388
5	5,474	849	6,324
6	5,004	718	5,722
7	4,291	565	4,856
8	4,441	593	5,034
9	4,926	692	5,618
10	4,968	697	5,665
Primary	$ 43,334	$ 6,639	$ 49,974
Low	814	771	1,585
High	152,210	13,601	165,811

IV.E.1. Identity and lawful status documents

When choosing which documents would meet the proposed minimum requirements, one consideration of DHS was the verifiability of the documents on the list. Where possible, DHS chose documents that have existing methods of electronic verification. Unfortunately, some of these systems are not fully operational currently. The Department believes that EVVE can be functional in all jurisdictions by May 2008. DHS also believes that DMVs would be able to establish connectivity with other DMV databases, SAVE and CCD, or other DOS system, by the proposed implementation deadline.

DHS has not made unit cost estimates for systems that did not exist in early 2006. However, the Data section estimates include the cost of connecting to these systems.

DHS has estimated States' marginal cost to check lawful status against the SAVE database. DHS first calculated the number of total SAVE verifications that will be required under REAL ID. Extending SAVE verifications to include all aliens nationwide would result in an estimated total 11.6 to 97.6 million verifications, with a primary estimate of 45.5 million total verifications. (See Figure 62.) The primary estimate uses the weighted mean of SAVE verifications divided by total issuances by State for the four States currently using SAVE on all foreign-born applicants to calculate the total SAVE verifications. The low estimate uses the lowest of these states' SAVE verifications as a percent of total DL/ID issuances. The high estimate uses the foreign-born people as a percent of the total population to estimate total SAVE verifications.[69] (See page 19 for a discussion of current state practices regarding SAVE.)

[69] U.S. Census Bureau. *The foreign-born population: 2000.* Available at <http://www.census.gov/prod/2003pubs/c2kbr-34.pdf>. Accessed May 2, 2006.

Figure 62: Total estimated initial SAVE verifications (thousands)

		Primary estimate		Low		High	
Year	Total issuances	% of issuances to aliens[70]	Estimated SAVE verifications	% of issuances to aliens	Estimated SAVE verifications	% of issuances to aliens	Estimated SAVE verifications
1	-	5.60%	-	1.42%	-	12.00%	-
2	94,437	5.60%	5,291	1.42%	1,343	12.00%	11,331
3	84,173	5.60%	4,716	1.42%	1,197	12.00%	10,100
4	87,537	5.60%	4,904	1.42%	1,245	12.00%	10,504
5	99,576	5.60%	5,579	1.42%	1,416	12.00%	11,948
6	93,059	5.60%	5,214	1.42%	1,324	12.00%	11,166
7	83,063	5.60%	4,654	1.42%	1,182	12.00%	9,967
8	85,388	5.60%	4,784	1.42%	1,215	12.00%	10,246
9	92,499	5.60%	5,182	1.42%	1,316	12.00%	11,099
10	93,293	5.60%	5,227	1.42%	1,327	12.00%	11,194
Total	813,025		45,549		11,565		97,554

Subtracting the projected SAVE verifications under the status quo from the estimated required verifications yields an estimated 691,000 to 86.7 million additional verifications, with a primary estimate of 34.7 million additional verifications. (See Figure 63.)

Figure 63: Estimated marginal initial SAVE verifications (thousands)

	# of SAVE verifications if status quo maintained	Primary		Low		High	
Year		Total verifications required	**Marginal verifications**	Total verifications required	**Marginal verifications**	Total verifications required	**Marginal verifications**
1	-	-	**-**	-	**-**	-	**-**
2	1,163	5,291	**4,128**	1,343	**181**	11,331	**10,169**
3	1,175	4,716	**3,541**	1,197	**22**	10,100	**8,925**
4	1,187	4,904	**3,717**	1,245	**58**	10,504	**9,317**
5	1,198	5,579	**4,381**	1,416	**218**	11,948	**10,750**
6	1,209	5,214	**4,004**	1,324	**115**	11,166	**9,957**
7	1,220	4,654	**3,434**	1,182	**(38)**	9,967	**8,747**
8	1,230	4,784	**3,554**	1,215	**(16)**	10,246	**9,015**
9	1,241	5,182	**3,941**	1,316	**75**	11,099	**9,858**
10	1,251	5,227	**3,975**	1,327	**76**	11,194	**9,943**
Total	10,874	45,549	**34,675**	11,565	**691**	97,554	**86,680**

SAVE verifications can be split into two categories: those requiring only a basic check and those requiring more thorough processing to complete verification. Every verification goes through the basic check. Those that cannot be resolved must then undergo the secondary check at an additional cost. The cost of the verifications is well established and some States are paying for

[70] Five States verified the lawful status of all aliens with SAVE in 2005. The weighted mean of their verifications as a percent of total issuance was 5.60 percent. For more details, see Figure 123.

them now. The marginal cost of SAVE verifications, based upon the marginal number of SAVE checks, would range from $814,000 to $152 million, with a primary estimate at $43.3 million. (See Figure 64.) Both the primary and low estimate use the percent of secondary checks from the States verifying all aliens' lawful status in 2005 (see Figure 124 on page 158). Contrastingly, the high estimate uses the historic rate of secondary verifications as reported by the SAVE program. The low and high estimates use the low and high ends of SAVE's estimated labor cost per verification, which are $6 and $7 respectively. The primary estimate uses the midpoint of this range, which is $6.50.

Figure 64: Marginal cost of SAVE checks, primary estimate[71]

	Basic verification			Secondary verification					
Year	Marginal SAVE verifications (thousands)	Unit cost	Sub-total (thousands)	% of basic checks	Number of secondary verifications (thousands)	Transmission unit cost	Manual labor to verify*	Subtotal (thousands)	Total (thousands)
1	-	$ 0.26	$ -	14.2%	-	$ 0.48	$ 6.50	$ -	$ -
2	4,128	0.26	1,073	14.2%	585	0.48	6.50	4,086	5,159
3	3,541	0.26	921	14.2%	502	0.48	6.50	3,504	4,425
4	3,717	0.26	967	14.2%	527	0.48	6.50	3,679	4,646
5	4,381	0.26	1,139	14.2%	621	0.48	6.50	4,336	5,474
6	4,004	0.26	1,041	14.2%	568	0.48	6.50	3,963	5,004
7	3,434	0.26	893	14.2%	487	0.48	6.50	3,398	4,291
8	3,554	0.26	924	14.2%	504	0.48	6.50	3,517	4,441
9	3,941	0.26	1,025	14.2%	559	0.48	6.50	3,901	4,926
10	3,975	0.26	1,034	14.2%	564	0.48	6.50	3,934	4,968
Total	34,675		$ 9,015		4,917			$ 34,319	$ 43,334
Low	691		180	14.2%	98		$ 6.00	635	814
High	86,680		22,537	20.0%	17,336		$ 7.00	129,673	152,210

* SAVE does not charge users for this.

For its proposal, DHS has chosen electronic means of verification with issuing agencies over more labor intensive methods because it is more cost effective. To manually verify a document with its issuing agency, the inquiring state would need to contact the issuing agency and give them the information on the document. The issuing agency would then retrieve the record, if available, and would contact the inquiring state and inform them whether or not they had a document matching the applicant's information. Electronic verification, on the other hand, significantly reduces the amount of labor needed to complete the process.

DHS recognizes that not all records would be uploaded to EVVE by May 2008. A DMV would not likely know that a record is not yet uploaded; this would be discovered when they attempt the electronic verification. Under the proposed rule, a DMV must establish a written procedure for how it will attempt to verify records that are not yet uploaded to EVVE. DHS is proposing that, at a minimum, States must flag the record in their database and verify the documents when available.

As an alternative to the proposed regulation, States could be required to make an independent determination of the validity of the document. Such an alternative regulatory scheme would require States to inspect the source document and its incorporated security features. The State would determine if the document, its information and its features are consistent with valid

[71] Unit cost data provided to DHS by the SAVE program office. Apr 27, 2006.

documents or if the document required further inspection. States could meet such a requirement by purchasing specialized document scanners and software. These scanners can read various types of MRT and use both the visible and non-visible spectrum of light to capture images of the document. The software then computes a score based upon the consistency of the document's features (water marks, UV features, design, visible data, data in the MRT, etc.) with what are known to be valid documents. If that score meets some minimum threshold score, the software determines that the document is valid; if not, the software raises a red flag.

DHS rejected this alternative for a number of reasons. First, it does not meet the statutory requirements of verifying documents *with the issuing agency*.[72] Second, the software may not be able to identify high-quality fraudulent documents. Consequently, a nefarious individual could present a high-quality fraudulent document and obtain a REAL ID under a false identity. This is a growing concern as technological advancements render it easier to manufacture high quality fraudulent documents. Comparatively, under DHS proposed system a lower quality fraudulent document could initially be accepted by the DMV but if the information on the face of the document did not match the records in the issuing agency's database the applicant would not receive a REAL ID. Finally, such a process would not allow for remote renewal. The proposed rule requires that an applicants' documents be verified for every re-issuance. The DHS proposal allows States to achieve this by verifying the information contained in the scanned images with the issuing agency. However, if States use the specialized document scanner and software, they would need to have the physical document (e.g. birth certificate or passport) and scan it for each re-issuance.

DHS has estimated the cost of implementing such a system for comparative purposes. The alternative system to verify source document validity would cost from $98 to 796 million, with a primary estimate of $447 million. (See Figure 65.) DHS based its unit cost estimate on information from industry experts. The unit cost in year one is to acquire the platform (scanner and software) that could verify the authenticity of documents. Yearly hardware and software maintenance costs are reflected in years 2 through 10. (Note that vendors may offer increasing discounts for initial acquisitions as the value of a client's order increases.) The low estimate for the number of platforms is equal to the number of DMV locations reported in AAMVA's first survey of 2006, implying that there will only be one scanner for each office. The high estimate is equal to the number of estimated DMV employees (2005 baseline from AAMVA's survey of 2006 plus marginal increase to process applications), implying that every employee has their own workstation, which is not used by others on their regular day off, leave days or regular breaks throughout the workday. (The employment estimate from year two is used in both year one and two in this estimate. DHS assumes that in year one States would purchase or lease enough platforms to equip their FTEs in year two.) DHS acknowledges that these high and low estimates are extremes and requests any data on the actual number of stations/platforms either nationally or by state. In lieu of more precise data, DHS used the mid-point of the high and low estimates for its primary estimate. The labor costs associated with scanning the documents are not included because the documents must be scanned under either verification scenario.

[72] *REAL ID Act of 2005*. Sec. 202(c)(3)(a).

Figure 65: Cost of alternate system to verify ID and status

	Platforms				Total (millions)		
Year	Primary	Low	High	Unit cost	Primary	Low	High
1	20,235	4,296	36,173	$ 8,750	$177.1	$37.6	$316.5
2	20,235	4,296	36,173	1,573	31.8	6.8	56.9
3	19,801	4,296	35,306	1,573	31.1	6.8	55.5
4	19,746	4,296	35,196	1,573	31.1	6.8	55.4
5	19,546	4,296	34,796	1,573	30.7	6.8	54.7
6	18,938	4,296	33,580	1,573	29.8	6.8	52.8
7	18,394	4,296	32,492	1,573	28.9	6.8	51.1
8	18,398	4,296	32,500	1,573	28.9	6.8	51.1
9	18,402	4,296	32,508	1,573	28.9	6.8	51.1
10	18,406	4,296	32,516	1,573	29.0	6.8	51.1
Total					$ 447	$ 98	$ 796

Comparing these cost estimates to those for the DHS proposal is difficult, at best. The alternate system could verify foreign passports without contacting the issuing agency. However, it could not verify lawful presence because the documentation itself may not show if an alien's status had been revoked. Consequently, States would still need to complete a SAVE verification. The alternate system could potentially authenticate a social security card. However, it could not be reasonably expected to authenticate W-2s or other documents, if allowed as evidence of SSN under the final rule. Consequently, applicants would be limited to bringing a social security card, which increases opportunity costs to applicants. (Limiting the number of acceptable documents increases the number of people that need to obtain that document and thus opportunity costs.) However, merely authenticating the social security card would not alert individuals, DMVs or the SSA to instances where more than one person is associated with a SSN. To do so, States would still have to run a SSOLV check. Further, the statute requires States to develop interconnectivity to share information in their DMV databases. This task is accomplished in the Departments proposal but is not included in this alternative system analysis; that cost would be in addition to this alternative.

The alternate system's authentication could, however, be seen as a replacement for the verification function of EVVER. This option is still rejected on the grounds that it does not verify the authenticity with the issuing agency. Comparing cost estimates of the two options is still difficult. Not all of the start up costs for EVVER will be incurred in year one. Because DHS is unable to determine which States will incur the start up costs in which years, they have all been included in year one. NAPHSIS estimated startup costs at $109 million based on a two-phase approach.[73] The first phase is to simply establish connectivity and verification capabilities. This phase accounts for a small fraction of the start-up estimate. The second phase will "clean" the data and will ultimately result in a reduction of recurring costs due to increased reliance on automation, which is not reflected in the DHS estimate. Some States will have completed both phases by the end of year one while others may require a few more years to complete phase II. AAMVA estimated recurring operation costs for the national deployment of EVVER at $15 million annually. [74] Combining the $109 million implementation cost and the annually recurring

[73] NAPHSIS. *Phases for Implementing EVVE*. Jan 19, 2006. Sent via e-mail: Mar 14, 2006.
[74] AAMVA. *Electronic Verification of Vital Events Records: Final Report*. 2005. P5-6.

$15 million costs for nine years yields an estimated $244 million cost to establish and run EVVE for years two through 10. (See Figure 66.)

Figure 66: EVVE cost estimate for comparison (millions)[75]

Year	Start up costs	Recurring costs	Total
1	$ 109.3	$ -	$ 109.3
2	-	15.0	15.0
3	-	15.0	15.0
4	-	15.0	15.0
5	-	15.0	15.0
6	-	15.0	15.0
7	-	15.0	15.0
8	-	15.0	15.0
9	-	15.0	15.0
10	-	15.0	15.0
Total	$ 109.3	$ 135.0	$ 244.3

Using the document authentication platforms would cost an estimated $203 million more than using EVVE. (See Figure 67.) DHS has concluded that not only does such a system fail to verify the authenticity of the source document with the issuing agency, but it would also be more expensive than the verification system in the proposed regulation.

Figure 67: Cost difference between verification alternatives (millions)

Year	Authentication platforms	EVVE verification	Difference
1	$ 177.1	$ 109.3	$ 67.8
2	31.8	15.0	16.8
3	31.1	15.0	16.1
4	31.1	15.0	16.1
5	30.7	15.0	15.7
6	29.8	15.0	14.8
7	28.9	15.0	13.9
8	28.9	15.0	13.9
9	28.9	15.0	13.9
10	29.0	15.0	14.0
Total	$ 447.4	$ 244.3	$ 203.1

IV.E.2. Address of principal residence

DHS considered having States verify an applicant's address documents with the issuing agency as required by the statute but determined that, at this time, this is an impracticable requirement. For example, most States accept utility bills as proof of address. Data indicate that

[75] Startup costs estimate: NAPHSIS. *Phases for Implementing EVVE*. Jan 19, 2006.

there were as many as 2,015 public power utilities,[76] 2,254 local telephone service providers, [77] 1,147 wireless companies providing service to end users, [78] and 1,270 companies delivering natural gas to residences in 2003.[79] DHS cannot compel these companies to provide access to the States in order to verify statements issued to their customers and cannot justifiably hold a state accountable if a private utility company chooses not to provide that service. Even if DHS had authority to require this of utility companies, establishing connectivity with each of these 6,686 non-state entities would be cost prohibitive.

Even if such verifications could be established in a cost effective manner, they would only verify that service was billed to a person at an address. They would not verify that the person resided there, much less that the address was their principal residence. Consequently, DHS is not proposing that States verify these documents with the issuing agency, per se, but is proposing that States validate the address provided by applicants by requiring applicants to provide two pieces of documentation containing the street address of their principal residence. States have already developed methods that they find acceptable for validating address. These methods are not new and, therefore, have no marginal cost under REAL ID.

IV.E.3. Social Security Number

The proposed regulation would require States to verify each applicant's SSN when issuing either an initial REAL ID or a renewal REAL ID. Consequently, the DHS estimate of marginal social security number verifications has included all growth issuances from States not using SSOLV and re-issuances from every State. (This assumes that the States currently using SSOLV only use it at initial issuance.) Marginal growth issuance SSOLV checks were calculated by summing the projected growth issuances in States not currently using SSOLV. (Growth projections are not available for New Hampshire and Utah.) Projected phase-ins from every State are included, as are all renewals. While most States have already checked their current population, they may not normally run the SSN against SSOLV for a renewal (or phase-in). Accordingly, DHS has included all phase-ins and renewals in this estimate but has not included issuance due to lost/stolen DL/IDs or reinstatements as there is no requirement in the proposed rule to re-verify the SSN in these situations. The proposed regulation would result in an estimated additional 453 million SSOLV verifications from years 2 through year 10. (See Figure 68.)

[76] American Public Power Association. *2005-06 Annual Directory and Statistical Report*. P 41.
[77] Federal Communications Commission. *Telecommunications Provider Locator.* "Table 2: Telecommunications by Type of Service Reported." Nov 8, 2005. Available <http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/Locator/locat04.pdf>. Accessed Feb 7, 2006.
[78] Ibid.
[79] Energy Information Administration. U.S. Department of Energy. Data obtained through EIA – 176 Query System. Downloadable at <http://www.eia.doe.gov/oil_gas/natural_gas/applications/nat_applications.html>. Data retrieved Feb 7, 2006. This figure counts entities with exact name matches operating in different States as one company.

Figure 68: SSOLV total marginal checks (millions)

Year	Growth	Phase-ins	Renewals	Total
1	-	-	-	-
2	0.7	68.1	-	68.9
3	0.7	52.1	-	52.8
4	0.7	49.9	-	50.7
5	0.7	42.5	14.8	58.0
6	0.8	20.1	28.2	49.0
7	0.8	-	37.8	38.6
8	0.8	-	39.8	40.5
9	0.8	-	46.5	47.2
10	0.8	-	46.8	47.6
Total	6.8	232.7	213.9	453.4

SSOLV offers two options to verify SSN information: real-time and batch checks. For its primary estimate, DHS assumed that States only using real-time verification will continue to use that method. DHS also assumed that States using the batch checks will use that method for all SSN verifications due to its lower cost. To calculate the distribution, DHS multiplied the percent of the population living in a state that only uses real-time verification by the marginal SSNs to be verified. This implicitly assumes that States not currently using SSOLV will distribute themselves between batch and real-time verification the same way as States already using SSOLV. This could result in an over-statement of SSN verification costs if each of these States chooses to use batch verification for all of their transactions. Some States using both real-time and batch verification methods may continue to use real-time checks under REAL ID, which would result in the estimate understating the SSN costs. Of the SSOLV checks currently done, 45.74 percent are completed in States that only use the real time method.[80] The unit cost to verify SSNs through SSOLV is well established: real time verifications are $0.03 each and batch verifications are $0.0017 for each SSN verified. If the States that currently do not check SSNs distribute themselves in the same way, the primary ten-year estimate for increased costs relating to SSOLV checks is $6.64 million. (See Figure 69.)

[80] DHS calculation based on data from AAMVA's first survey of 2006.

Figure 69: Marginal SSN verification costs using SSOLV, primary estimate

Year	Increase of SSNs to be verified (thousands)	% in real time	Real time		Batch		Total cost (thousands)
			Real-time unit cost	Total real-time cost (thousands)	Batch unit cost	Total batch cost (thousands)	
1	-	45.74%	$ 0.03	$ -	$ 0.0017	$ -	$ -
2	68.9	45.74%	0.03	945	0.0017	64	1,009
3	52.8	45.74%	0.03	725	0.0017	49	774
4	50.7	45.74%	0.03	696	0.0017	47	742
5	58.0	45.74%	0.03	796	0.0017	53	849
6	49.0	45.74%	0.03	672	0.0017	45	718
7	38.6	45.74%	0.03	530	0.0017	36	565
8	40.5	45.74%	0.03	556	0.0017	37	593
9	47.2	45.74%	0.03	648	0.0017	44	692
10	47.6	45.74%	0.03	653	0.0017	44	697
Total	453.4			$ 6,221		$ 418	$ 6,639

If all States were to complete their marginal verifications using batch processes the marginal cost would be $771,000. (See Figure 70.) If every state were to instead use only the real time method for the marginal verifications, the cost increase would be $13.6 million over the baseline.

Figure 70: Marginal SSN verification costs using SSOLV, low and high estimate

Year	Increase of SSNs to be verified (millions)	Low		High	
		Unit cost	Total cost (thousands)	Unit cost	Total cost (thousands)
1	-	$ 0.0017	$ -	$ 0.03	$ -
2	68.9	0.0017	117.1	0.03	2,066.3
3	52.8	0.0017	89.8	0.03	1,585.5
4	50.7	0.0017	86.2	0.03	1,520.7
5	58.0	0.0017	98.6	0.03	1,739.3
6	49.0	0.0017	83.3	0.03	1,470.0
7	38.6	0.0017	65.6	0.03	1,158.0
8	40.5	0.0017	68.9	0.03	1,215.7
9	47.2	0.0017	80.3	0.03	1,417.0
10	47.6	0.0017	80.9	0.03	1,428.5
Total	453.4		$ 770.7		$ 13,601.0

Applicants who are ineligible for a SSN may obtain a letter from the SSA that shows they are indeed ineligible. However, there is no method for the SSA to verify the authenticity of the letter and the ineligible status itself for the States. Therefore, DHS is proposing to use the *type* of lawful status as a proxy for SSN eligibility. DMVs can use the SAVE check to fulfill both the lawful status and ineligibility for SSN verification requirements.

Applicants whose data does not match the information in SSOLV would need to resolve the discrepancy before they could obtain a REAL ID. Because many current holders of DL/IDs have already been verified, they are not likely to face this obstacle. Rather, the 6.7 million

marginal growth applicants and 14.9 million phase-in applicants from non-checking States may be at risk for having non-matching data. (See Figure 71.) The marginal growth verifications correspond to growth issuances in States not currently verifying SSNs. The phase-in verifications are the total phase-in issuances multiplied by the percent of DL/IDs in States that do not currently verify SSNs. (Note that phase-ins from currently checking States will be a marginal increase in SSOLV verifications but that any data discrepancies in these States should already be resolved.)

Figure 71: Marginal initial SSOLV verifications possibly requiring resolution (thousands)

Year	Marginal growth verifications	Phase-ins from non-checking states	Initial marginal SSOLV verifications
1	-	-	-
2	728	4,350	5,078
3	734	3,327	4,061
4	740	3,189	3,929
5	746	2,712	3,458
6	752	1,280	2,032
7	758	-	758
8	763	-	763
9	769	-	769
10	775	-	775
Total	6,765	14,857	21,623

Not all of the marginal initial SSOLV verifications will result in a mismatch of data. To estimate the number of people that would have mismatching data needing resolution, DHS multiplied these initial verifications by the percent of people who have mismatches in their data, as reported by two states. For the primary estimate, DHS used the simple mean of those two States reported rates. The result is an estimated 649,000 to 1,081,000, with a primary estimate of 865,000, mismatches needing resolution. (See Figure 72.) The nature of current mismatches may result in an over-estimate in the number of mismatches under REAL ID. Information from the SSA indicates that one reason for mismatches is applicants may provide a different name (e.g. nickname, married name, etc.) for their DL/ID than is on record with the SSA. However, REAL ID's requirements would provide the state with a history of names for the applicant. (The SSA also keeps a history of names for the individual.) Most applicants will likely provide a birth certificate as evidence of identity, which contains their legal name at birth. If they currently use a different legal name they would also need to provide evidence of the name change (e.g. marriage/divorce certificate, court ordered name change, etc.).

Figure 72: Estimated number of SSN discrepancies (thousands)

	Marginal initial	Primary		Low		High	
Year	SSOLV verifications	% Needs resolution	Total needing resolution	% Needs resolution	Total needing resolution	% Needs resolution	Total needing resolution
1	-	4%	-	3%	-	5%	-
2	5,078	4%	203	3%	152	5%	254
3	4,061	4%	162	3%	122	5%	203
4	3,929	4%	157	3%	118	5%	196
5	3,458	4%	138	3%	104	5%	173
6	2,032	4%	81	3%	61	5%	102
7	758	4%	30	3%	23	5%	38
8	763	4%	31	3%	23	5%	38
9	769	4%	31	3%	23	5%	38
10	775	4%	31	3%	23	5%	39
Total	21,623		865		649		1,081

At this time, DHS is unable to estimate the cost of resolving the SSN discrepancies. Any mismatches due to typographical error would be easily identified and remedied under REAL ID because States will have images of all of the source documents to compare to the data in their database. In the case where an applicant is using a legal name that they have not yet given to the SSA, the State may be able to use one of the applicant's former legal names for the verification. Using a previous legal name in such cases may reduce the need for States to contact applicants for further information/clarification. Further, using SSN cards and W-2 forms should ensure that the name in use by the applicant will result in a match when compared with the SSA database. This should minimize benign non-typographical errors.

In order to establish an estimate of the cost to resolve mismatches, the Department requests data on the proportion of mismatches resulting from data entry error, incorrect data given to DMV by the applicant and erroneous data in the SSA database. Further, the Department requests data on the costs to DMVs, individuals and the SSA to resolve each type of mismatch under both the status quo and the proposed rule.

IV.F. Card production and issuance

DHS has two notes for readers concerning this section. First, recall that one of the over-arching assumptions of this analysis is that the combination of proposed standards is likely to result in all States using a central issuance process. DHS requests that States comment on this assumption, provide data on the estimated cost to move to central issuance and, if they choose to retain OTC methods, the cost to secure locations where OTC production occurs.

Second, readers should be forewarned: estimating the cost of card production is a complicated task. Card vendors do not provide a menu with set prices for each line item. Rather, a customer gives the vendor a set of criteria for the card that the vendor uses to provide a production unit cost. This unit cost is, expectedly, dependent on those criteria but also depends greatly upon the expected number of cards to be produced. Vendors offer steep discounts for large

orders. Further, the unit costs of cards reported by States typically includes more than simple card production costs. DHS requests comments and data from DMVs and their vendors to increase the reliability of the estimates in this section.

The estimated marginal cost of shifting to central issuance and producing REAL IDs ranges from $2.98 to 7.73 billion, with a primary estimate of $5.76 billion. (See Figure 73**.)** The vast majority of these costs are due to improvements in document security features.

Figure 73: Summary of card production and issuance marginal costs (millions)

Year	Shift to central issuance	DL/ID redesign	Document production	Total
1	$ 15.3	$ 284.4	$ -	$ 299.7
2	46.3	-	600.1	646.4
3	40.9	-	520.9	561.8
4	42.3	-	545.3	587.6
5	47.3	-	635.6	682.9
6	43.2	-	585.0	628.2
7	37.8	-	507.9	545.7
8	38.8	-	524.5	563.4
9	42.0	-	577.5	619.5
10	42.3	-	582.5	624.8
Primary	$ 396.2	$ 284.4	$ 5,079.3	$ 5,759.9
Low	198.1	142.2	2,640.2	2,980.5
High	594.3	426.6	6,705.3	7,726.3

IV.F.1. Document issuance

The proposed regulation does not require States to move to a central issuance process. However, DHS believes that States will find it more economically efficient to do so. Therefore, the analysis has assumed that each state will make such a move.

Virginia completed a cost analysis of its anticipated switch to a central issuance process in 2006 and identified 6 cost items: 1) driver license system changes needed for documents to print at headquarters (i.e. central issuance); 2) equipment; 3) construction; 4) issuance of temporary licenses and ID cards at customer service centers; 5) additional headquarters staff, and ; 6) mailing costs. The Virginia DMV estimates capital start-up costs to be $803,000 and annual operational costs to be $473,000.[81] (See Figure 74.)

[81] Virginia Department of Motor Vehicles. Available at <http://www.dmvnow.com/webdoc/pdf/lls_report_app.pdf>. Accessed Apr 11, 2006: p 11- 12. Note: DHS re-categorized the mailing costs and re-categorized and renamed the un-official DL/ID in Figure 74.

Figure 74: Virginia DMV's estimate of cost to move from OTC to central issuance[82]

Item	Amount
Implementation costs	
Driver License system changes needed for documents to print at headquarters	$ 430,000
Additional headquarters staff	167,500
Equipment	190,000
Construction	15,700
Total First year costs	**$ 803,200**
Annual operational costs	
Issuance of un-official licenses and ID cards at CSCs	$ 106,000
Mailing costs	199,600
Additional headquarters staff	167,500
Total recurring costs	**$ 473,100**

DHS has largely based its estimate on Virginia's. First, DHS calculated the fixed implementation costs of moving to central issuance and determined that systems re-design, equipment and construction costs would not significantly depend on the DL/ID population in the State. To the extent that it does (e.g. a state with many DL/IDs will need manufacturing equipment with a higher production capacity), DHS notes that in 2005 Virginia issued more than twice the number of DL/IDs as the median State and almost 1.5 times the mean of all States.[83] DHS welcomes other estimates and/or data related to this issue. This portion of the estimate includes only those States that report using only the OTC process. (By definition hybrid States already have a central issuance process.) Hybrid States will have some re-designing to do, but those costs are likely to be mostly IT related and are thus captured in the Data section. Using the capital implementation cost estimates provided by the Virginia DMV and extending them to the 24 States that only use OTC yields a marginal cost of $15.26 million to switch to central issuance. (See Figure 75.)

Figure 75: Estimated fixed initial cost for central issuance, primary estimate

Item	Per state amount (thousands)	States reporting OTC only	Total (thousands)
Systems re-design	$ 430	24	$ 10,320
Equipment	190	24	4,560
Construction	16	24	377
Total	$ 636	24	$ 15,257

[82] DHS has taken the liberty of re-categorizing some of the elements identified by the Virginia DMV. Additionally, Virginia refers to the "unofficial licenses" as "temporary" DL/IDs. These documents are meant to be used until the holder receives their "official" DL/ID in the mail. To avoid confusing these documents with those issued to non-immigrant aliens, DHS is referring to these as "unofficial DL/IDs."

[83] AAMVA's first survey of 2006.

When estimating the recurring costs, DHS included hybrid States because they will likely stop using their OTC processes. Consequently, all of their in-person issuances, which are presumably OTC, will need to be produced at and distributed from a central facility. DHS estimated the number of marginal central issuances by multiplying the total number of REAL ID issuances by the percentage of individuals holding DL/IDs in either OTC or hybrid States in 2005. DHS is aware that this methodology includes the central issuances in hybrid states; however, data was not available to indicate how many issuances in these States used the OTC versus the central system. DHS welcomes any data regarding this issue. Under REAL ID, there would be an additional 433 million central issuances. (See Figure 76.)

Figure 76: Estimated marginal central issuances (millions)

Year	In-person issuances	% in States using OTC or hybrid	Marginal central issuances
1	-	56.17%	-
2	93.7	56.17%	52.6
3	82.9	56.17%	46.5
4	85.7	56.17%	48.1
5	95.7	56.17%	53.7
6	87.5	56.17%	49.2
7	76.5	56.17%	43.0
8	78.6	56.17%	44.1
9	85.0	56.17%	47.7
10	85.7	56.17%	48.1
Total	771.2		433.2

DHS used the Virginia estimate to determine the recurring cost of using a central issuance process. Unlike Virginia, DHS assumed that the un-official DL/ID is a recurring cost. The DHS estimate has a limitation similar to the Virginia estimate; neither of them account for reduced labor at customer service centers that no longer produce DL/IDs. DHS determined the unit recurring cost by dividing the estimated total costs by a calculated number of issuances. Determining the number of issuances used by the Virginia DMV also presented a challenge. Dividing the total mailing cost by the bulk postage rate calculates an estimated 538,000 issuances. This is notably below Virginia's current annual issuance level. However, using their current issuance would imply that their unit mailing cost is $0.08. A unit mailing cost of $0.08 is insufficient to cover postage. Either the DMV used a different number of issuance or they omitted the cost of postage. The analysis employs the unit costs based on the calculated, not observed or projected, issuances. The Department welcomes data or comments that will help facilitate either the extrapolation of Virginia's estimate or constructing another estimate for the cost to shift from OTC to central issuance. Using the method above to derive unit costs, the national recurring marginal costs would be an estimated $381 million. (See Figure 77.)

Figure 77: Recurring cost of shifting to central issuance

Year	Marginal central issuances (millions)	Unit Costs				Marginal cost of central issuance (millions)
		Unofficial DL/ID	Production staff	Mailing costs	Subtotal	
1	-	$ 0.197	$ 0.311	$ 0.371	$ 0.879	$ -
2	52.6	0.197	0.311	0.371	0.879	46.3
3	46.5	0.197	0.311	0.371	0.879	40.9
4	48.1	0.197	0.311	0.371	0.879	42.3
5	53.7	0.197	0.311	0.371	0.879	47.3
6	49.2	0.197	0.311	0.371	0.879	43.2
7	43.0	0.197	0.311	0.371	0.879	37.8
8	44.1	0.197	0.311	0.371	0.879	38.8
9	47.7	0.197	0.311	0.371	0.879	42.0
10	48.1	0.197	0.311	0.371	0.879	42.3
Total	433.2					$ 380.9

DHS added the fixed cost and recurring costs to estimate the total marginal cost of switching to central issuance. This provides a primary estimate of $396 million. (See Figure 78.) Using an upward and downward adjustment of 50 percent yields a range from $198 to 594 million.

Figure 78: Marginal cost of switching to central issuance, primary estimate (millions)

Year	Fixed cost	Variable costs	Total
1	$ 15.3	$ -	$ 15.3
2	-	46.3	46.3
3	-	40.9	40.9
4	-	42.3	42.3
5	-	47.3	47.3
6	-	43.2	43.2
7	-	37.8	37.8
8	-	38.8	38.8
9	-	42.0	42.0
10	-	42.3	42.3
Primary	$ 15.3	$ 380.9	$ 396.2
Low (-50%)			198.1
High (+50%)			594.3

IV.F.2. Design/Layout

DHS assumes that every jurisdiction would need to make adjustments to the face of the card. Such adjustments would allow 39 visible characters in the name field, indication that the license is temporary, use of a digital photograph, and accommodation of all other informational requirements for the face of the credential. States would incur costs to reformat their credentials. This cost would only be incurred at the outset to design REAL IDs and the non-REAL ID. NGA,

NCSL and AAMVA estimate the one-time costs for both documents at $284.4 million.[84] Using this estimate as the primary estimate to redesign the documents, the Department then adjusted by +/- 50 percent to produce a range from $142.2 to 426.6 million.

IV.F.3. Security Features

DHS has developed a proposed set of security performance standards that it believes inhibits current and next generation attacks on driver licenses and ID cards. The proposed regulation would require REAL IDs to use a(n):

- A card stock that satisfies DHS' proposed performance standard, such as polycarbonate or other compliant technologies;
- Serial inventory number for each card;
- Intricate, fine-line, multicolored background design (a.k.a. guilloche pattern) produced via offset lithography (as opposed to dye sublimation);
- UV long wave responsive feature;
- Optically variable device;
- Personalized tactile feature created by laser engraving;
- Personalized microprint feature;
- Covert taggant(s) and/or marker(s);
- Check digit numbers or letters, and;
- Card format revision date printed or engraved on the cards surface to be updated with card design changes.

Because of the bidding and negotiation process, DHS has been unable to obtain reliable line-item cost estimates for individual features that would meet the proposed standard. In order to estimate costs of various security schemes, DHS has considered the cost of existing analogous credentials. As with the design and layout of the card, the cost of the security feature is negotiated as part of a per-card cost. The following section on card production costs includes the estimate for improved security features. The inclusion of improved document security features accounts for $2.6 to 6.7 billion, with a primary estimate of $5.1 billion. (See Figure 84 on page 105 for more detail.)

IV.F.4. Card production costs

Before discussing the estimated cost of the card production, the reader should be aware of the difficulty of making a broad estimate. First, credential vendors do not provide a menu of options with clearly defined costs for each line item. Rather, a client will establish performance standards or specify certain features that they require the card to contain. The client also specifies the expected number of credentials needed over the life of the contract (either annually or total). Vendors use that information to determine a unit cost to produce the card. Clients receive increasing discounts on the unit cost as the number of credentials to be produced rises. Indeed,

[84] NGA, NCSL and AAMVA. *The Real ID Act: National Impact Analysis.* Sep 2006, p 21.

large orders (e.g. 10 to 20 million cards) over a 5 to 10 year period often receive a substantial discount, perhaps in the neighborhood of 50 percent, when compared with an order of a few tens of thousands.[85] The baseline mean weighted cost should account for this. However, the analogue card used to estimate the cost of a DL/ID with the proposed security features may not be subject to the same discounts as those received by individual states, especially those with millions of annual issuances.

Second, the unit costs of cards reported by States typically include more than simple card production costs. Depending on the state and their contract the reported unit cost may also include data storage, facial recognition analysis, IT systems and support, physical security measures and either complete card production by the vendor or the components to be assembled by the State itself. The data reported in the AAMVA survey does not indicate what costs are included in States' reported unit cost. However, the estimation method used below calculates the difference in costs between two card schemes, both of which include unknown "other" elements. The analysis implicitly assumes that, on average, the "other" elements are of similar magnitude and are thus excluded once the difference between the two is calculated. DHS specifically requests comments from State DMVs and their vendors regarding these estimates and the methodology used to obtain them. The Department also requests data to allow a more detailed and reliable method of estimating the physical production costs of REAL IDs.

DHS has prepared primary, low and high estimates of the cost of card production. These are estimates for how much a State will pay based on a per-card basis. Because it is based on the current market, these costs include the card itself and its security features along with other related costs incurred by the manufacturer. These other costs may include the security of card production locations, to include physical, logical and personnel (e.g. background checks) based security measures. (This does not include security at customer service centers nor background checks on DMV employees.) As established in the Status Quo section, card production costs under the baseline would total $1.1 billion. (See Figure 79, which reproduces Figure 11.)

Figure 79: Cost of card production under status quo, repeated

Year	Issuances (thousands)	Mean cost (weighted)	Total (thousands)
1	-	$ 1.38	$ -
2	85,213	1.38	117,595
3	86,115	1.38	118,839
4	86,973	1.38	120,023
5	87,804	1.38	121,170
6	88,612	1.38	122,285
7	89,389	1.38	123,356
8	90,153	1.38	124,411
9	90,921	1.38	125,471
10	91,702	1.38	126,549
Total	796,883		$ 1,099,698

[85] DHS learned of this through conversations with various industry experts.

Next, DHS examined unit costs of DL/IDs. DHS was able to identify one document with security features comparable to the proposed REAL ID requirements. Canada's permanent resident card has similar features to each of those required by REAL ID but exceeds them by also including an optical stripe. DHS used the unit cost of this card as a reference point for the cost of the proposed card. The primary estimate of $7.60 per card subtracts the primary estimate of $7 per card for an optical stripe from the 14.60 USD cost of Canada's permanent resident card. (See Figure 80.) Likewise, the low card estimate of $4.60 subtracts the higher optical stripe estimate of $10 and the higher card estimate of $9.60 subtracts the lower optical stripe estimate of $5.

Figure 80: Estimated production unit cost of REAL IDs

	Analogue card	Optical stripe	**REAL ID**
	A	B	= A - B
Primary	$ 14.60	$ 7	**$ 7.60**
Low	$ 14.60	$ 10	$ 4.60
High	$ 14.60	$ 5	$ 9.60

Multiplying the range of unit card costs by the number of projected issuances yields a card production estimate ranging from $3.74 to 7.81 billion with a primary estimate of $6.18 billion. (See Figure 81.)

Figure 81: Total REAL ID card production cost

Year	Issuances (millions)	Unit	Total (millions)
1	-	$ 7.60	$ -
2	94.4	7.60	717.7
3	84.2	7.60	639.7
4	87.5	7.60	665.3
5	99.6	7.60	756.8
6	93.1	7.60	707.2
7	83.1	7.60	631.3
8	85.4	7.60	648.9
9	92.5	7.60	703.0
10	93.3	7.60	709.0
Primary	813.0		$ 6,179.0
Low		$ 4.60	3,739.9
High		$ 9.60	7,805.0

Finally, DHS subtracted the status quo document costs from the estimated REAL ID costs to produce the marginal increase due to REAL ID which ranges from $2.64 to 6.71 billion, with a primary estimate of $5.08 billion. (See Figure 82.) These estimates account for the increase in issuances, increased document security features and the 2-D barcode.

Figure 82: Marginal cost of REAL ID card production (millions)

Year	Primary estimate	Low estimate	High estimate
1	$ -	$ -	$ -
2	600.1	316.8	789.0
3	520.9	268.4	689.2
4	545.3	282.6	720.3
5	635.6	336.9	834.8
6	585.0	305.8	771.1
7	507.9	258.7	674.0
8	524.5	268.4	695.3
9	577.5	300.0	762.5
10	582.5	302.6	769.1
Total	$ 5,079.3	$ 2,640.2	$ 6,705.3

Due to the complicated nature of vendors' pricing structure, DHS does not have specific data on the individual cost of each line-item for the card production. However, the estimated total cost of producing REAL IDs can be compared to producing today's cards at the REAL ID issuance levels. Such a comparison will give an idea as to how much of the increased cost is due to increased issuance as opposed to improved document security features. Multiplying the projected REAL ID issuances by the current weighted average unit card cost produces a cost estimate of $1.12 billion to produce REAL IDs at today's weighted average unit cost. (See Figure 83.) This produces an estimate of the card costs if DHS were to omit any standards affecting the unit cost of the card (e.g. document security standards).

Figure 83: REAL ID card production cost using current card costs (millions)

Year	REAL ID issuances	Unit cost	Total
1	-	$ 1.38	$ -
2	94.4	1.38	130.3
3	84.2	1.38	116.2
4	87.5	1.38	120.8
5	99.6	1.38	137.4
6	93.1	1.38	128.4
7	83.1	1.38	114.6
8	85.4	1.38	117.8
9	92.5	1.38	127.6
10	93.3	1.38	128.7
Total	813.0		$ 1,122.0

Subtracting this number from the total cost of producing REAL IDs (see Figure 81) results in an estimated marginal cost of $2.62 to 6.68 billion, with a primary estimate of $5.06 billion, for document security improvements. (See Figure 84.) This estimate may be viewed from two perspectives. First, it is the cost of complying with DHS proposed rule concerning the physical security features of documents. Alternatively, this is how much less expensive compliance would be if DHS either 1) did not require a minimum standard or 2) established a minimum standard that would not require States to change their current practices regarding document security features.

Figure 84: Marginal card production cost due to improved document security (millions)

Year	Cost of issuing REAL IDs using current standards	Marginal cost of document security improvements		
		Primary estimate	Low estimate	High estimate
1	$ -	$ -	$ -	$ -
2	130.3	587.4	304.1	776.3
3	116.2	523.6	271.0	691.9
4	120.8	544.5	281.9	719.6
5	137.4	619.4	320.6	818.5
6	128.4	578.8	299.7	764.9
7	114.6	516.6	267.5	682.8
8	117.8	531.1	274.9	701.9
9	127.6	575.3	297.8	760.3
10	128.7	580.3	300.4	766.9
Total	$ 1,122.0	$ 5,057.0	$ 2,617.9	$ 6,683.1

The card production cost of the proposed regulation due solely to increased issuances is estimated at $22.3 million, which is equal to the marginal issuances multiplied by the current weighted average unit card cost. (See Figure 85. Note that adding the estimate in Figure 85 to those in Figure 84 gives the total marginal increase in Figure 82.)

Figure 85: Marginal card production cost due to increased issuance (millions)

Year	Unit card cost	Marginal issuances	Marginal cost due to increased issuances
1	$ 1.38	-	$ -
2	1.38	9.22	12.73
3	1.38	(1.94)	(2.68)
4	1.38	0.56	0.78
5	1.38	11.77	16.25
6	1.38	4.45	6.14
7	1.38	(6.33)	(8.73)
8	1.38	(4.77)	(6.58)
9	1.38	1.58	2.18
10	1.38	1.59	2.20
Total		16.1	$ 22.3

IV.F.5. Machine Readable Technology

The proposed rule would require 2-D barcodes on all compliant IDs. This technology is already used by the vast majority of states. All States would need to ensure they meet the data requirements of the proposed rule. This would require States to examine their software processes, the cost of which is estimated in the Data section. States not currently using a 2-D barcode would need to print it on their new licenses. However, discussions with one vendor indicate that this printing represents no marginal increase in the unit cost of cards to the states. Further, DHS

assumes that any marginal cost increases to coordinate with vendors are included in the unit cost of producing the card. The proposed rule calls for inclusion of a 2-D barcode because it leverages current State practices. Choosing another MRT would place an unnecessary cost burden upon the States.

Alternate technologies considered for the minimum standard included linear barcodes, contact smart-chips, optical stripe and contact-less chips. The 2-D PDF417 technology was chosen over the others based on performance capabilities, privacy concerns and cost implications.

DHS determined that some of the alternative technologies did not have adequate performance capabilities. The first in this category was the linear barcode. Mindful that the proposed regulation would implement minimum standards, a linear barcode would not allow States to use the common MRT to hold much data beyond that required in the proposed regulation. For instance, if a State chose to include the photograph or a digitized fingerprint, neither of which are required by the regulation, they would not be able to include this in a linear bar code. Consequently, those States would need more than one MRT on their credentials. Further, DHS considered the trend of States moving away from linear barcodes.

Optical stripe technology could meet the data requirements; however, driver licenses and identification documents are removed and replaced in wallets and purses, sent through the laundry and suffer other abuses on a semi-regular basis. DHS is concerned that it may not be durable enough to be reliable over time.

The contactless chip, sometimes referred to as radio frequency identification (RFID), was deemed an unnecessary technology standard. First and foremost, this technology is more expensive than for 2-D barcodes. Second, DHS determined that there was not an identifiable need for driver's licenses and identification cards to be routinely read at a distance.

Before providing cost estimates of the alternatives, the reader should consider the difficulty of making broad estimates as discussed in the Card Production Costs section. To further complicate the analysis, the estimated costs in this section may not include various, common security features like holograms, tactile engraving, optically variable ink, etc. each of which raises the unit cost of the card.

DHS has examined two costs related to the alternate MRTs: the cost of producing the cards and the cost of outfitting agencies with the appropriate equipment to read and/or encode the MRT. First, consider the cost of producing cards with various MRTs. Credentials with optical stripes cost $7, ranging from $5 to $10. Credentials with contact chips cost $3.50 but range from $2 to $8. Finally, credentials with Radio Frequency Identification cost $5 and range from $3 to $10. (See Figure 86.)

Figure 86: Estimated unit cost of alternative MRTs[86]

Technology	Primary	Low	High
Optical Stripe	$ 7.00	$ 5.00	$ 10.00
Contact chip	3.50	2.00	8.00
RFID	5.00	3.00	10.00

Multiplying the estimated unit costs by the total expected REAL ID issuances produces estimates of the cost of employing each of these technologies for REAL ID. It is imperative to remember that these estimates are only for a base card with the selected technology. They do not reflect the use of add-on security features. The cost to produce 813 million credentials with optical stripes ranges from $4.1 to 8.1 billion, with a primary estimate of $5.7 billion. Producing the same number of credentials with contact chips would cost from $1.6 to 6.5 billion, with a primary estimate of $2.8 billion. Finally, producing 813 million credentials with RFID tags would cost from $2.4 to 8.1 billion with a primary estimate of $4.1 billion. (See Figure 87.)

Figure 87: Total cost to issue REAL IDs with alternative MRTs (millions)

Year	REAL IDs issued	Optical stripe	Contact chip	RFID
1	-	$ -	$ -	$ -
2	94.4	661.1	330.5	472.2
3	84.2	589.2	294.6	420.9
4	87.5	612.8	306.4	437.7
5	99.6	697.0	348.5	497.9
6	93.1	651.4	325.7	465.3
7	83.1	581.4	290.7	415.3
8	85.4	597.7	298.9	426.9
9	92.5	647.5	323.7	462.5
10	93.3	653.0	326.5	466.5
Primary	813.0	$ 5,691.2	$ 2,845.6	$ 4,065.1
Low		4,065.1	1,626.1	2,439.1
High		8,130.3	6,504.2	8,130.3

These costs are not comparable to the REAL ID card production estimate. The incomparability stems from the rigorous, proposed document security standards. The current cost of card production is a better reference point due to their use of more common, traditional security features, though still not perfectly comparable. Comparing the current DL/IDs without these alternate MRTs provides a pseudo-comparison between the alternate MRTs and a 2-D barcode. The cost of using 2-D barcode technology lies mostly in the formatting of data and coordination between DMVs and vendor IT systems, not in a physical infrastructure of the card. (The physical infrastructure is merely the ink or laser engraved pattern on the back of the card. One industry expert likened the marginal cost of including the pattern to the cost of adding two more words onto a page printed by word processing software.) Further, no matter which technology DHS proposes State DMVs would need to coordinate their IT systems and the formatting of data in the MRT.

[86] Estimates based on DHS conversations with various subject matter experts.

DHS has compared the estimated cost of issuing the projected number of REAL IDs using the weighted mean cost of current DL/IDs (Figure 83) to the estimated costs of issuing REAL IDs with each of the alternative MRTs. (Note: the cost of using a linear barcode is roughly the same as a 2-D barcode as neither involves physical infrastructure of the card.) This comparison shows that adding optical stripes to today's cards at REAL ID issuance levels would add from $2.9 to 7.0 billion, with a primary estimate of $4.6 billion to the cost of card production. Doing the same with contact chips would add from $504 million to $5.4 billion, with a primary estimate of $1.7 billion. If RFID technology was used on today's cards at REAL ID issuance levels, it would add $1.3 to 7.0 billion, with a primary estimate of $2.9 billion, to production costs. (See Figure 88 for details.)

Figure 88: Marginal cost to issue REAL IDs with alternate MRTs (millions)

Year	Optical stripe	Contact chip	RFID
1	$ -	$ -	$ -
2	530.7	200.2	341.9
3	473.1	178.4	304.7
4	492.0	185.6	316.9
5	559.6	211.1	360.5
6	523.0	197.3	336.9
7	466.8	176.1	300.7
8	479.9	181.0	309.1
9	519.8	196.1	334.8
10	524.3	197.8	337.7
Primary	4,569.2	$ 1,723.6	$ 2,943.2
Low	2,943.2	504.1	1,317.1
High	7,008.3	5,382.2	7,008.3

In addition to producing the cards with the alternate technology, States would need to provide themselves with the equipment to read and, in some cases, write data contained in the MRT. A basic reader for optical stripes costs on the order of three thousand dollars. [87] Contact chip readers can cost from $10 to $150 for an individual, USB-type card reader. The costs vary depending on the sophistication of the equipment. "Intelligent" readers, with the capability of performing calculations are more expensive than the simple readers that merely extract data from the MRZ. Finally, RFID readers can cost from $35 to $200 dollars. Again, the variation depends greatly upon the features of the equipment.

DHS is unable to estimate the number of readers that each state would need in order to implement an alternative MRT. Certainly they would need readers to equip their DMVs. However, States would also need to retrofit other agencies' systems, including those of law enforcement. DHS welcomes data on how many readers would be required either nationally or by State. Because it cannot determine the required number of readers, DHS is not providing a total or marginal cost estimate for this part of the alternatives analysis. However, a simple examination supports DHS hypothesis that national implementation of these alternatives would be more expensive than the proposed 2-D barcode. Quite simply, nearly all States are currently using 2D

[87] MRZ reader estimates based on information from various industry experts.

barcode technology. Consequently, the agencies that require readers/scanners for the technology should already have them. There are a handful of States that would need to outfit their appropriate systems with 2D scanners. However, the cost of doing so would likely be less than retrofitting every DL/ID-reading piece of equipment in the country.

IV.G. Data

Implementation of REAL ID will require modifications to existing and the creation of new data/IT systems. States will need to modify their DMV systems to capture and maintain all of the required information and electronically verify certain pieces of information. Federal systems will need modifications to ensure they can handle capacity and perform reliably for the DMV environment. Other systems, like EVVE, need to be developed beyond the prototype phase. At this time, DHS is only able to estimate the cost to State DMVs, the Department, and costs for the system used to interconnect State DMVs. The following analysis draws upon work done by the DHS CIO office and joint work done by NGA, NCSL and AAMVA. DHS welcomes comments and data regarding creation of and upgrades to these and other systems.

The estimated modifications of existing and creation of new systems would cost an estimated $1.5 billion over ten years and could range from a low of $628.7 million to $2.1 billion. (See Figure 89.) These estimates are for the decentralized system of distributed databases envisioned by the Department and reflected in the flexibility of the NPRM. One alternative to this system would be to use a centralized system, likely created and maintained by the Federal government. While the initial investment in such a system while be slightly less than for the distributed system, the centralized system would incur marginal operating costs that would be redundant given other existing systems

Figure 89: Data/IT cost summary

		Centralized (Alternative)		**Decentralized**	
Year	States	DHS	Total	DHS	Total
1	$ 601.9	$ 38.8	$ 640.7	$ 41.8	$ 643.7
2	92.7	43.7	136.4	4.0	96.7
3	92.7	59.6	152.3	4.0	96.7
4	92.7	66.7	159.3	4.0	96.7
5	92.7	54.7	147.3	4.0	96.7
6	92.7	40.2	132.9	4.0	96.7
7	92.7	40.2	132.9	4.0	96.7
8	92.7	40.2	132.9	4.0	96.7
9	92.7	40.2	132.9	4.0	96.7
10	92.7	40.2	132.9	4.0	96.7
Primary	$ 1,436.0	$ 464.5	*$ 1,900.5*	$ 77.8	**$1,513.8**
Low	554.6	432.6	*987.2*	74.1	**628.7**
High	2,034.1	495.1	*2,529.2*	81.6	**2,115.7**

IV.G.1. State systems

States would need to modify their current systems to accomplish the tasks necessary for REAL IDs. This work would include:

- modification of databases (e.g. to accommodate 125 characters in the name field);
- reprogramming front- and back-end software/processes;
- acquisition of hardware (e.g. desktop stations, additional storage media, document scanners, cameras, etc.); and,
- expanding telecommunications capacities to accommodate increased verifications and other communications.

Combining the implementation and recurring cost analyses described below yields a primary estimate of $1.4 billion and falling between $554 million and $2.0 billion.

In an effort to estimate the cost of IT and related business practice modifications, AAMVA, in conjunction with the National Governor's Association and the National Conference of State Legislatures, conducted multiple surveys of its membership. The results of their second 2006 survey indicate that the one-time implementation cost for IT and related systems would be $601.9 million. (See Figure 90.) Adjusting the primary by +/- 50 percent provides a range from $301 to 903 million for initial implementation costs.

Figure 90: State systems implementation estimates (millions)[88]

Item	One-time cost
Verification systems	$129.2
Driver history records	31.0
Photo capture	72.4
Lawful presence	65.5
Full legal name	185.7
Address	53.7
Images of source documents	64.5
Total (primary)	**$601.9**
Low (-50%)	301.0
High (+50%)	902.9

Based upon the same survey, the tri-party estimate for recurring costs is $814 million over five years or an average of $162.8 million per year. However, conversations with AAMVA indicate that this estimate represents the total ongoing cost of the IT systems. Sufficient detail is not available to determine the difference between costs under REAL ID and the costs of current systems. Therefore, DHS has used State responses to a 2005 AAMVA survey to estimate recurring costs.

Some States provided IT cost info in their responses to AAMVA's first survey of 2005, upon which the following recurring cost estimates are based. Analysis of those State responses

[88] National Governors Association, National Conference of State Legislatures and American Association of Motor Vehicle Administrators. *The Real ID Act: National Impact Analysis*. Sep 2006. Available at <http://www.aamva.org>. Accessed 5 Oct 2006.

yields an estimated annual recurring cost of $92.7 million, which could range from $28.2 to 125.7 million, per year for years two through ten. Over nine years, the recurring costs would range from $253.6 million to $1.13 billion with a primary estimate of $834.1 million. The national estimate is based upon the responses of 11 States that provided cost estimates for IT related functions. The following paragraphs describe how those estimates were derived.

In AAMVA's 2005 survey 11 states estimated the cost of complying with some of the requirements of REAL ID. Their estimates focused largely upon the cost for States to establish the necessary IT systems for data collection, processing, storage and transmittal. The State DMV estimates are state specific. State DMVs included, as they saw fit, items including:

- Hardware (e.g. scanners, storage media);
- Software programming (e.g. adjustments to existing systems and/or new programs);
- Connectivity;
- Business process changes;
- IT and business process training;
- Costs associated with verifying documents from non-Federal agencies (e.g. birth certificates), and;
- Recurring operations and maintenance costs.

In addition, some States also included items that are included in other areas of the analysis. In most instances, DHS was unable to determine the precise nature of what each state included in its estimate and if the inclusion of individual line-items would result in double counting. However, the instances of possible double counting—using an inclusive as opposed to exclusive criterion—showed that for most States the amount at risk of being double counted was less than 10 percent of their total estimate. Figure 91 shows the items and percent of each estimate at risk of being double counted. Three States did not provide adequate detail for the Department to determine the possibility of double counting.

Figure 91: Possible double counting in IT estimate section

State	A	B	C	D	E	F	G	H	I [b c]	J [c]	K [c]
Possible issue double counted [a]	$ 1,046,766	$ 280,000	$ 60,000	$ 170,200	$ 425,000	$ 350,000	$ 773,875	$ -	Unknown	Unknown	Unknown
Total estimate [a]	$ 2,871,569	$ 18,580,000	$ 3,890,000	$ 2,160,200	$ 5,960,600	$ 10,631,250	$ 1,313,875	$ 1,765,000	Varies	$ 190,066,004	$ 3,870,850
% possible double count	**36%**	**2%**	**2%**	**8%**	**7%**	**3%**	**59%**	**0%**	**N/A**	**N/A**	**N/A**
Increased applications					X				X	X	X
Document redesign	X		X	X	X	X					
Training (Process, FDR, etc.)	X	X		X	X		X				
SSN resolution	X			X							
Bilingual staff (lawful presence requirement)	X										
Background checks	X	X		X	X		X				
SAVE verifications (included elsewhere)					X						
Other physical security requirements	X				X						
Establish non-compliant document		X	X	X							
Legislative/ rule changes					X						
Media campaign										X	

[a] Time periods vary by State but are consistent within a State's estimate.

[b] State 'I"provided four estimates with one-time costs ranging from $2.3 to $136.1 million and recurring costs from $0.8 to $62.7 million.

[c] The State did not provide adequate detail to know how much of the estimate is at risk for double counting.

Where States provided line item estimates but no timeline, the analysis divides those costs into initial and recurring categories. The initial costs are all included in the first program year. To extend all estimates for the full 10 year program estimate, the analysis utilizes each state's estimated recurring cost from year two through year 10. Other States provided a timeline of their costs. These were maintained and are reflected in each program year. The estimates from State timelines were extended to cover the full 10 years by using either: 1) the state's estimated recurring cost for any remaining years if available, or; 2) the estimated cost incurred during the last year estimated by the state.

DHS assumed that estimates reported by the States do not double count items provided elsewhere within their own estimates. However, it is possible that the DHS interpretation of some States' responses could result in double counting. This largely appears where a State estimated the same number of labor hours at the same rate for similar programming. For instance, one State included costs to modify their deriver's license file six times, each at the same cost. The AAMVA defined items for which the State provided the same estimate are:

- Introduce full legal name;
- Establish temporary DL/ID cards that tie end of stay to expiration;
- Modifying temporary documents to show the different than usual expiration (also included as a possible double count;
- Developing access capability to SAVE;
- Establishing procedures to confirm or verify a renewing applicant's information, and;
- Resolving SSN mismatches.

Because it is not clear if the estimate intended to make all six adjustments once at the one cost or if the cost would be incurred for each change, DHS has included the amount each time it was provided by the state.

A handful of States also included costs to manually verify documents. DHS has subtracted those pieces, where possible, from State estimates because the goal is to fully automate the verifications. Also note that, upon initial issuance, if a birth certificate cannot be verified through the automated system due to the record not yet being loaded on the State of jurisdiction's vital records database, the inquiring DMV would only need make a note indicating such on the DL/ID applicant's record. At the time of the next renewal, the DMV would need to verify the birth certificate with the appropriate state vital records office.

IV.G.2. National Systems

The proposed rule would require some national systems. The objectives of these systems are to:

- verify:
    - identity source documents (via EVVE and a DOS system);
    - social security number (via SSOLV);
    - lawful status (via SAVE);
    - that the applicant does not hold a driver's license in another state or that the other license is being terminated (system to be determined); and,

- "Provide electronic access to all other States to information contained in the motor vehicle database of the State" per section 202(d)(12) of the Act.

Any number of approaches can be used to establish, modify and integrate the necessary systems. Because the final architecture is not yet known, the costs are exceedingly difficult to estimate. The source of funding is also not yet known; for analytical purposes those costs are being treated as Federal costs.

One possible approach to integrating the systems is to update AAMVAnet and leverage its current connections to both state and federal agencies. The estimated cost of leveraging current systems ranges from $74.1 to 81.6 million with a primary estimate of $77.8 million over ten years. DHS estimates that the upgrade for AAMVAnet would cost from $27.1 to 34.6 million, with a primary estimate of $30.8 million. Some commercial off-the-shelf (COTS) software would also cost an additional $1.0 million for implementation. Finally, DHS would need to upgrade its SAVE and SEVIS systems at an estimated cost of $4.0 million. There would be no marginal recurring cost as those would be folded into already existing operations, refresh and maintenance costs. There would, however be a program office designed to support users. During the implementation this would cost an estimated $6.0 million and then be reduced to $4.0 million for years two through ten. The total program office cost is estimated at $42.0 million over ten years. Each of the above costs are shown in Figure 92.

Figure 92: National IT system (millions)

		Software				
Year	PMO	AAMVA	COTS	O & M	SAVE	Total
1	$ 6.0	$ 30.8	$ 1.0	$ -	$ 4.0	$ 41.8
2	4.0	-	-	-	-	4.0
3	4.0	-	-	-	-	4.0
4	4.0	-	-	-	-	4.0
5	4.0	-	-	-	-	4.0
6	4.0	-	-	-	-	4.0
7	4.0	-	-	-	-	4.0
8	4.0	-	-	-	-	4.0
9	4.0	-	-	-	-	4.0
10	4.0	-	-	-	-	4.0
Primary	$ 42.0	$ 30.8	$ 1.0	$ -	$ 4.0	$ 77.8
Low	42.0	27.1	1.0	-	4.0	74.1
High	42.0	34.6	1.0	-	4.0	81.6

Another approach is for an entirely new system to be built from the ground up. This system would require an entity, presumably DHS or its agent, to build a system that accomplishes all of the IT goals of REAL ID. This centralized system would cost from $432.6 to 495.1 million with a primary estimate of $464.5 million over ten years. While the initial investment would be slightly less than for the decentralized system, the centralized system would be forced to incur recurring costs that replicate current system operations and maintenance costs—the status quo systems may still exist and would continue to incur recurring costs. The decentralized system, on the other hand, would leverage the current systems and would not produce any substantial marginal

recurring costs. In either case, States would plug into this system thereby ensuring that they meet the data sharing goals of REAL ID. Information available at this time suggests that the cost to the States would be similar under either model as they will need to adjust their systems to connect either to the centralized or distributed systems. DHS welcomes comments and data on the assumptions and methods used to establish these estimates.

Figure 93: Alternate- National IT system (millions)

Year	PMO	Software	SAVE	Integration	Hardware	O & M	Total*
1	$ 10.5	$ 20.4	$ 4.0	$ 6.0	$ 1.0	$ 0.9	$ 38.8
2	17.0	13.5	-	4.0	1.0	8.2	43.7
3	17.0	22.2	-	6.5	1.0	12.9	59.6
4	17.0	23.8	-	7.0	1.0	17.8	66.7
5	17.0	12.5	-	3.7	1.0	20.5	54.7
6	17.0	1.0	-	0.3	1.0	20.9	40.2
7	17.0	-	-	-	1.0	20.9	40.2
8	17.0	-	-	-	1.0	20.9	40.2
9	17.0	-	-	-	1.0	20.9	40.2
10	17.0	-	-	-	1.0	20.9	40.2
Primary	$ 163.5	$ 93.4	$ 4.0	$ 27.5	$ 10.0	$ 164.9	$ 464.5
Low	163.5	86.5	4.0	19.1	10.0	141.0	432.6
High	163.5	100.1	4.0	38.1	10.0	188.1	495.1

* Due to risk modeling, yearly totals are not simple sums of component costs.

IV.G.3. Manual Verifications

The goal of the proposed regulation is to accomplish all verifications electronically through the national system. The proposed regulation does not require, nor does it envision, States performing manual verifications of source documents with issuing agencies. However, a handful of States have provided estimates of the costs in their responses to the 2005 AAMVA survey, should this have been the case. These estimates are presented below

If, for some reason, the IT systems were not available and States were nevertheless required to verify source documents, they would be obliged to do so manually. Four States specifically provided estimates of the cost to manually verify documents, which ranged from as little as $110,000 to as much as $8.7 million per year.[89] (See Figure 94.)

[89] AAMVA's first survey of 2005.

Figure 94: States' manual verification estimates

State	Comments	Amount	2005 DL/IDs on file
1	Fully manually system could require as much 35 additional staff (+30%) at approximately $1.75 million/year	$ 1,750,000	<500,000
2	Not all states have electronic verification capabilities – if manual process is required, the impact will include 5 additional FTE's @$22,000/year	$ 110,000	Between 2.5 and 5 million
3	Responds that: "It is assumed that 80% of the documents can be verified in three minutes through electronic means while the other 20% will take15 minutes due to mailing requirements."	Not specified	>5 million
4	Manual verification of documents requiring, on average, 30 minutes each.	$ 8,698,300	Between 2.5 and 5 million

Numerous challenges prevent extrapolating these estimates to the rest of the jurisdictions. First, some of the estimates assume a fully manual system while others assume that a portion of documents could be verified by automated processes. Second, the reported estimates do not provide sufficient detail on the underlying assumptions (e.g. wage rates, number of documents to be verified, average time to verify each document, etc.) to compare consistency and validity of assumptions. Consequently the manual verification estimates provide anecdotal evidence of the cost to manually verify source documents.

IV.H. Security

The proposed REAL ID regulation would require States to meet minimum standards for ensuring the physical security of facilities and materials, conducting employee background checks and providing fraudulent document recognition (FDR) training to employees. These functions will cost an estimated marginal $332.9 to 500.3 million, with a primary estimate of $394.1 million. (See Figure 95.)

Figure 95: Summary of security related costs (thousands)

Year	Physical security of facilities	Employee background checks	FDR training	Total
1	$ 194,333	$ 1,911	$ 13,825	$ 210,070
2	19,433	814	1,905	22,152
3	19,433	490	298	20,221
4	19,433	524	467	20,424
5	19,433	503	363	20,299
6	19,433	461	238	20,133
7	19,433	462	238	20,134
8	19,433	490	299	20,223
9	19,433	490	300	20,223
10	19,433	490	301	20,224
Primary	$ 369,233	$ 6,635	$ 18,234	$ 394,103
Low	320,467	3,318	9,117	332,901
High	462,967	9,953	27,351	500,271

IV.H.1. Physical security of facilities and materials

The proposed rule would require State DMVs to complete risk assessments for all locations involved in the credentialing process including vendor card production sites. The rule also proposes to require State DMVs to establish security plans for DMV offices and facilities that manufacture and/or store materials used to manufacture DL/IDs. As stated in the Status Quo section, DHS has determined, based upon the AAMVA survey questionnaire responses, that 27 States have security programs that would likely be compliant. Of the remaining DMVs, only the production facilities and locations would need to ensure they employ rigorous security programs. Recall that the analysis assumes DMVs will shift to central issuance systems in order to minimize these costs.

DHS has estimated the distribution of States according to their current security levels based upon their responses to AAMVA's 2005 survey. For each category DHS has estimated the average cost per state to upgrade their security to meet the minimum standards of the proposed regulation. States that either did not respond or provided indeterminate responses are included in the "unknown" category and their estimated costs are the mean of the other categories' average estimated costs. The primary cost estimate of initial upgrades is $194 million. (See Figure 96.) DHS estimated recurring marginal security costs as a percent of the initial upgrade cost. Adding recurring costs of 10% per year for 9 years produces a total primary marginal estimate of $369 million.

Figure 96: Estimated initial physical security upgrades, primary estimate (thousands)

Current security level	# of states	Average cost per state to upgrade	Total
Low	9	$ 10,000	$ 90,000
Medium	8	$ 5,000	40,000
High	27	$ 1,000	27,000
Unknown	7	5,333	37,333
Capital upgrades	51		$ 194,333
Recurring costs (10%) for 9 years			174,900
Total			**$ 369,233**

Because of inconsistencies in the responses to the AAMVA survey, DHS has provided high and low estimates based upon different distributions of States between current security levels. (See Figure 97). DHS shifted the distribution by one-third to the next adjacent category. For example, one-third of eight is rounded up to three. Three States were moved from the medium to the high category for the low cost estimate. One-third of nine is three. Those three States were moved from the low category and added to the medium category for the low cost estimate. The result is six States in the low category, eight in the medium category and 30 in the high category. A similar procedure was used to estimate the high category except that the categorization changes moved in the opposite direction. This method yields a low estimate of $169 million and a high estimate of $244 million in marginal initial costs to improve physical security. Adding recurring costs of 10 percent annually for nine years, which ranges from $152 to 219 million, yields a total marginal cost of $320 to 463 million.

Figure 97: Estimated initial physical security upgrades, low and high estimates

Current security level	Average cost per state to upgrade (thousands)	Low		High	
		State distribution	Total (thousands)	State distribution	Total (thousands)
Low	$ 10,000	6	$ 60,000	12	$ 116,667
Medium	5,000	8	41,667	14	71,667
High	1,000	30	29,667	18	18,000
Unknown	5,333	7	37,333	7	37,333
Capital improvements		51	$ 168,667	51	$ 243,667
Recurring costs (10% for 9 years)			151,800		219,300
Total			$ 320,467		$ 462,967

IV.H.2. Employee background checks

The proposed rule would require that all staff that has access to the DL/ID manufacturing process or can affect the information that goes onto the DL/ID undergo a background check. This check would consist of a criminal history records check (CHRC) through the FBI, an immigration status check and a credit history check. DHS assumes that States would conduct the background checks on existing employees before May 2008. Any additional employees needed to process

applications would be checked as they are hired. Though some States perform various background checks, DHS has assumed that all employees must be rechecked. DHS was unable to determine both the exact scope of States' background checks and the disqualifiers that they use. Even for States currently using the FBI's CHRC, the proposed regulation may offer differing disqualification criteria and thus require the State to re-run the check. The FBI charges $22 to run the CHRC check. The FBI requires fingerprints, which are collected at a cost of $23.[90] The median cost for an individual, personal credit report is $15.[91] Combined, the variable pieces of the background check will cost an estimated $60. The primary estimate of the total cost to run the various background checks on all employees is $6.6 million. (See Figure 98.) Adjusting the primary estimate by +/- 50 percent provides an estimated range from $3.3 to 10.0 million.

Figure 98: Cost of REAL ID required background checks

Year	Employees to be checked (thousands)	Unit costs					Total (thousands)
		CHRC (FBI)	CHRC (fingerprints)	Immigration Check	Credit	Subtotal	
1	31.7	$ 22	$ 23	$ 0.26	$ 15	$ 60	$ 1,911
2	13.5	22	23	0.26	15	60	814
3	8.1	22	23	0.26	15	60	490
4	8.7	22	23	0.26	15	60	524
5	8.3	22	23	0.26	15	60	503
6	7.7	22	23	0.26	15	60	461
7	7.7	22	23	0.26	15	60	462
8	8.1	22	23	0.26	15	60	490
9	8.1	22	23	0.26	15	60	490
10	8.1	22	23	0.26	15	60	490
Primary	110.1						$ 6,635
Low (-50%)							3,318
High (+50%)							9,953

IV.H.3. Fraudulent document recognition training

The proposed rulemaking would require that DMV employees accepting source identity documents for REAL ID credentials complete fraudulent document recognition training. This will require States not currently training employees to develop training programs and ensure all of their employees are trained. Further, employees hired to process the increased workload in all States will need to complete the training. The primary 10-year marginal estimate is $18.2 million. (See Figure 99.) Adjusting the primary estimate by +/- 50 percent yields a range from $9.1 to 27.3 million.

[90] The median price reported for fingerprint collection by a private contractor, a county sheriff, the Transportation Security Clearing House and TSA program knowledge is the $23 estimate.
[91] Equifax. Available at <http://www.equifax.com/products/equifax_credit_report.jsp>. Experian. Available at <https://www.creditexpert.com/creditexpert/orderpage1.aspx?sc=623000&bcd=phometest8&pkg=BCZ4Y>. Trans Union. Available at <http://www.transunion.com/index.jsp>. All accessed Jun 7, 2006.

Figure 99: Marginal FDR training costs (thousands)

Year	Course development and other initial costs	Training employees	Total
1	$ 12,635	$ 1,191	$ 13,825
2	-	1,905.2	1,905.2
3	-	297.9	297.9
4	-	466.7	466.7
5	-	362.8	362.8
6	-	238.1	238.1
7	-	238.1	238.1
8	-	299.3	299.3
9	-	299.9	299.9
10	-	300.6	300.6
Primary	$ 12,635	$ 5,599	$ 18,234
Low	6,317.4	2,799.7	9,117.0
High	18,952.1	8,399.1	27,351.1

States not currently using an appropriate fraudulent document recognition (FDR) training program would need to develop a course for their employees. States have estimated the initial cost at $12.6 million.[92] The reported cost drivers are "class fees, facility costs, instructor salaries, materials and coverage for front-line employees."

Employees in States that do not currently use AAMVA FDR training programs will need to complete their initial training. Based on AAMVA's first survey of 2006, State DMVs that reported not using AAMVA training also reported a total of nearly 3,200 current staff. (See Figure 100.) Adding in new employees due to turnover in the baseline population, DHS estimates that approximately 11,000 baseline employees will need FDR training.

Figure 100: Initial FDR training for baseline employees and baseline turnover[93]

Year	Baseline employees needing training	Turnover rate	Baseline turnover	Total
1	3,186	25%	796	3,982
2	-	25%	796	796
3	-	25%	796	796
4	-	25%	796	796
5	-	25%	796	796
6	-	25%	796	796
7	-	25%	796	796
8	-	25%	796	796
9	-	25%	796	796
10	-	25%	796	796
Total	3,186		7,964	11,149

[92] NGA, NCSL and AAMVA. *The Real ID Act: National Impact Analysis*. Sep 2006, p18.
[93] Baseline employees based upon responses to AAMVA's first survey of 2006.

Additionally, all employees hired to meet the increased application processing resulting from REAL ID will need FDR training. These employees must complete the initial training upon being hired. New hires due to turnover in this population must also complete the training. DHS estimated the turnover by first calculating what percent of the previous year's marginal employees must be retained to meet DMV workloads. DHS then calculated the difference between that number and the retention rate (1- turnover rate) and used that difference as the applied turnover rate. Approximately 7,000 new employees—those hired to process the increased workload in all states—will need training. (See Figure 101. In years six and seven, States will still have employees to train; however due to decreasing work loads and heightened levels of staff to meet demand in previous years they will hire fewer new employees and thus have fewer FDR training sessions to complete.)

Figure 101: Initial FDR training for marginal increase employees

Year	Total marginal employees	As percent of previous year	Employee turnover rate	Applied turnover + growth rate	Employee turnover, number	Subtotal
1	-		25%	0%	-	-
2	4,460		25%	25%	1,115	5,575
3	3,593	81%	25%	6%	200	200
4	3,483	97%	25%	22%	764	764
5	3,083	89%	25%	14%	417	417
6	1,866	61%	25%	-14%	(270)	(270)
7	779	42%	25%	-33%	(259)	(259)
8	786	101%	25%	26%	204	204
9	794	101%	25%	26%	207	207
10	802	101%	25%	26%	209	209
Total	19,647				2,586	7,046

Combining the baseline and increased workload employees results in an estimated 18,200 employees needing FDR training. (See Figure 102.)

Figure 102: Total employees needing initial FDR training

Year	Baseline employees	Increased workload employees	Total employees
1	3,982	-	3,982
2	796	5,575	6,371
3	796	200	996
4	796	764	1,561
5	796	417	1,213
6	796	(270)	526
7	796	(259)	537
8	796	204	1,001
9	796	207	1,003
10	796	209	1,005
Total	11,149	7,046	18,195

To estimate the total hours required for employees to complete initial FDR training, DHS multiplied the number of employees by 12 hours (the time to complete the training) and then multiplied the required hours by the fully loaded wage rate, resulting in a primary cost estimate of $5.6 million. [94, 95] (See Figure 103.) Adjusting the primary estimate by +/- 50 percent yields an estimate ranging from $2.8 to 8.4 million.

Figure 103: Cost for employees to complete initial FDR training

Year	Employees to train	Average FDR training (hrs)	Training hours needed (thousands)	Wage rate	Total (thousands)
1	3,982	12	48	$24.92	$ 1,191
2	6,371	12	76	24.92	1,905
3	996	12	12	24.92	298
4	1,561	12	19	24.92	467
5	1,213	12	15	24.92	363
6	796	12	10	24.92	238
7	796	12	10	24.92	238
8	1,001	12	12	24.92	299
9	1,003	12	12	24.92	300
10	1,005	12	12	24.92	301
Primary	18,725		225		$ 5,599
Low					2,800
High					8,399

[94] Illinois DMV. Response to AAMVA's first survey of 2005.
[95] U.S. Bureau of Labor Statistics. Employer Cost for Employee Compensation. Available at <http://data.bls.gov/PDQ/outside.jsp?survey=cm>. Data series: Office and administrative support occupations, State and local government (CMU3010000220000D,CMU3010000220000P) for 2005Q4. Accessed Apr 11, 2006.

IV.I. Certification and compliance

The proposed rule would require States to complete initial certification packages and transmit them to DHS. DHS would then need to review the materials and determine if the State is compliant. The proposed rule would also require States to complete annual re-certifications and quarterly reports on use of the exceptions process for review by DHS. Combined, the certification and compliance efforts would cost from $13.4 to 40.1 million, with a primary estimate of $26.8 million, over ten years. (See Figure 104.)

Figure 104: Summary of certification related costs (thousands)

Year	State certification	Federal program office	Total
1	$ 1,106.4	$ 2,300	$ 3,406
2	1,475.2	2,300	3,775
3	1,475.2	2,300	3,775
4	1,475.2	2,300	3,775
5	1,475.2	2,300	3,775
6	1,475.2	2,300	3,775
7	1,475.2	2,300	3,775
8	1,475.2	2,300	3,775
9	1,475.2	2,300	3,775
10	1,475.2	2,300	3,775
Primary	$ 14,383	$ 23,000	$ 37,383
Low	7,191	11,500	18,691
High	21,574	34,500	56,074

IV.I.1. State certification

The proposed rule would require State DMVs to complete an initial certification package. This package would include risk assessments and security plans for all DMV facilities, privacy plans, relevant statutes and regulations that are evidence of compliance, a detailed narrative that is evidence of compliance with the regulation, confirmation from the State's Attorney General that the State has legal authority to implement necessary changes, and certification from the Governor of the State that the State is in compliance. (The risk assessment and security plan costs are included in the Security section.) Once certified as compliant, the rule would require State DMVs to send annual re-certification packages to DHS. The NGA, NCSL and AAMVA estimate that the initial certification package will cost States a total of $1.1 million and that the annual certifications will cost an average of $295,000 per year.[96] DHS assumes that the quarterly exceptions process reports will require similar effort to the annual certifications. The annual recurring cost estimate is therefore $1,475,000 per year (1 annual certification + 4 quarterly reports). Multiplying the recurring costs for nine years and adding the initial costs provides a primary estimate of $14.4 million. Adjusting the primary +/- 50 percent provides a range with a low of $7.2 million to $21.6 million over ten years.

[96] NGA, NCSL and AAMVA. *The Real ID Act: National Impact Analysis.* Sept 2006, p 21.

IV.I.2. Federal program office

Under the proposed rule, the Federal Government would need to establish a program office. This office would be responsible for reviewing state certifications, acting as a liaison between DHS and the States, completing periodic State audits to ensure compliance, and informing Federal agencies or others accepting identification for official purposes about which state-issued DL/IDs are acceptable.

DHS has estimated the cost to run a compliance and enforcement program office. These costs include contract labor, travel costs and other, miscellaneous costs. (Federal personnel compensation and benefits are not included.) The primary annual cost estimate—comprised of contractor, travel and miscellaneous costs—is $2.3 million per year. (See Figure 105.) Adjusting the primary estimate by +/- 50 percent produces a range from $1.15 to 3.45 million per year. Extending these costs for ten years produces a cost estimate ranging from $11.5 to 34.5 million, with a primary estimate of $23 million.

Figure 105: Annual program office estimate

Primary		
Contractor support	$	2,000,000
Travel	$	200,000
Misc.	$	100,000
Total	**$**	**2,300,000**
Low		
Adjustment factor		-50%
(Primary)	$	2,300,000
Total	$	1,150,000
High		
Adjustment factor		50%
(Primary)	$	2,300,000
Total	$	3,450,000

V. Benefits

The proposed REAL ID regulation would strengthen the security of personal identification. Though difficult to quantify, nearly all people understand the benefits of secure and trusted identification and the economic, social, and personal costs of stolen or fictitious identities. The proposed REAL ID NPRM seeks to improve the security and trustworthiness of a key enabler of public and commercial life – state-issued driver's licenses and identification cards.

The primary benefit of REAL ID is to improve the security and lessen the vulnerability of federal buildings, nuclear facilities, and aircraft to terrorist attack. The rule would give states, local governments, or private sector entities the option to choosing to require the use of REAL IDs for activities beyond the official purposes defined in this regulation. To the extent that states, local governments, and private sector entities make this choice, the rule may facilitate security in processes which depend on licenses and cards for identification, leading to ancillary benefits from the enhanced security procedures and characteristics put in place as a result of this proposed rule.

DHS provides a rough "break-even" analysis based on the rule having an impact on the annual probability of the U.S. experiencing 9/11 type attacks in the 10 years following the issuance of the rule.[97] DHS believes that the probability and consequences of a successful terrorist attack cannot be determined for purposes of this benefit analysis. However, for the purposes of this analysis, it is not necessary to assume that there is a probability of being attacked in any particular year. Setting a probability for a successful attack is not necessary for this analysis, so long as we make some admittedly tenuous assumptions about the costs of attack consequences, to determine the reduction in probability of attack that REAL ID would need to bring about so that the expected cost of REAL ID equals its anticipated security benefits. Since it is exceedingly difficult to predict the probability and consequences of a hypothetical terrorist attack, DHS instead provides an answer to the following question: what impact would this rule have to have on the annual probability of experiencing a 9/11 type attack in order for the rule to have positive quantified net benefits. This analysis does not assume that the U.S. will necessarily experience this type of attack, but rather is attempting to provide the best available information to the public on the impacts of the rule. This analysis is preliminary, and DHS specifically requests comments on the methodology used in this discussion, and the types of additional security incidents this rulemaking may impact. DHS is also continuing to develop this analysis for the final rule.

In summary, if these requirements lowered by 3.60% per year the annual probability of a terrorist attack that caused immediate impacts of $63.9 billion (which is an estimate of the immediate impact incurred in the 9/11 attack and might be considered a lower bound estimate), the quantified net benefits of the REAL ID regulation would be positive. If these requirements lowered by 0.61% per year the annual probability of a terrorist attack that caused both immediate and longer run impacts of $374.7 billion (which is an estimate of the immediate and longer run impacts incurred in the 9/11 attack and might be considered an upper bound estimate), the quantified net benefits of the REAL ID regulation would be positive.

[97] This type of analysis is recommended by OMB Circular A-4 when it is difficult to quantify and monetize the benefits of rulemaking.

The potential ancillary benefits of REAL ID are numerous, as it would be more difficult to fraudulently obtain a legitimate license and would be substantially more costly to create a false license. These other benefits include reducing identity theft, unqualified driving, and fraudulent activities facilitated by less secure driver's licenses such as fraudulent access to government subsidies and welfare programs, illegal immigration, unlawful employment, unlawful access to firearms, voter fraud, and possibly underage drinking and smoking. DHS assumes that REAL ID would bring about changes on the margin that would potentially increase security and reduce illegal behavior. Because the size of the economic costs that REAL ID serves to reduce on the margin are so large, however, a relatively small impact of REAL ID may lead to significant benefits.

The quantitative analysis of the primary benefit, and several ancillary benefits, of REAL ID is presented below. This analysis suggests that benefits taken together justify the rule's economic costs. In order to stay consistent with the cost analysis, it is assumed that all citizens would obtain REAL ID drivers licenses.

V.A. Primary Benefit of REAL ID

The primary benefit of REAL ID is to incrementally increase U.S. national security by reducing the vulnerability to criminal or terrorist activity of federal buildings, nuclear facilities, and aircraft. The chances of a terrorist attack on such targets being successful would generally increase if identity documents that grant access to them are in the possession of the attackers. This is demonstrated by the fact that several of the 9/11 hijackers had false driver's licenses or fraudulently obtained driver's licenses in their possession at the time of that attack. Even when possession of such identity documents is not an absolute requirement for carrying out an attack, terrorist planners, appear to see value in having identity documents available in order to minimize risk and maximize flexibility in adjusting to circumstances. Denying access to valid identity documents would, on the margin, raise the cost and risk of conducting a terrorist operation.

The U.S. faces the possibility that a terrorist group will be able to carry out a successful attack on the U.S. homeland. This possibility can be quantified as the annual likelihood, or probability, that a successful attack is carried out. DHS and other government agencies at the federal, state and local levels have taken many measures in recent years to reduce this probability, and the fact that a successful attack has not been carried out since 9/11 suggests that these measures may have had a significant impact on the terrorist threat that the homeland faces. Each measure that DHS and other agencies have undertaken has contributed to some degree to enhancing security. Real ID is another measure that is intended to reduce risk on the margin. No single measure can entirely eliminate the risk of a successful terrorist attack, but if properly designed and implemented, all measures can collectively reduce the risk to a very low level. The quantitative analysis that is presented here suggests the degree to which Real ID must contribute to the reduction in the risk of a successful attack in order to justify its cost.

The annual risk that the U.S. faces with regard to a potential terrorist attack can be represented as the chance that an attack will successfully take place, multiplied by the consequences of that attack. This can be mathematically represented as Π*K, where Π is the annual chance of a successful attack and K is the consequences of an attack in monetary terms. Homeland security measures such as REAL ID impact either the chance or consequences of a successful attack, or both. REAL ID is highly unlikely to impact the consequences of a successful attack, but it may impact, on the margin, the chance of a terrorist attack being attempted and succeeding. Let Π_B be this chance prior to the introduction of REAL ID, and Π_A be the chance after REAL ID comes into effect. Then the security impact of REAL ID in the course of one year can be measured in dollar terms as $(\Pi_B - \Pi_A)$*K.

This analysis introduces several sources of uncertainty. Although the consequences of various types of terrorist attack can be measured and estimated, the characteristics of past attacks may not be reflective of future attacks. In addition, evaluating the probability that attacks of any type will be attempted and will succeed is very difficult. Rather than try to measure the absolute probability Π_B and determine how REAL ID might affect it, we follow a slightly different approach. Let the cost of the REAL ID regulation, which has been estimated, be C. Then for REAL ID to be fully justified on national security grounds alone, it must be the case that its benefit is at least as great as its costs. The annual risk-reduction benefit of Real ID is $(\Pi_B - \Pi_A)$*K, and the sum of this benefit over ten years must equal Real ID's cost, C. If we can determine a dollar value for K, then we can measure the marginal impact that REAL ID must bring about on the probability of a successful terrorist attack on a federal target for it to be fully justified by its security benefit.

The economic consequences of the 9/11 attack are used as a benchmark for evaluating this *breakeven probability change*. REAL ID is being adopted on the basis of the findings of the 9/11 Commission report, and helping to prevent another catastrophic attack like 9/11 is the primary goal of REAL ID. 9/11 caused roughly 3,000 deaths and many injuries, large-scale destruction of property, and a range of impacts on economic activity such as depressing business in New York City and reducing the amount of air travel. It also may have caused a range of longer-run indirect business impacts such as higher operating costs, higher inventory levels, higher risk premiums, and economic impacts associated with shifting resources to the military. We do not attempt to quantify these latter impacts. Figure 106 below gives estimates of the values of various economic impacts of the 9/11 attack. Some care has been taken to ensure that estimates reflect a depression in overall activity rather than a shift from one geographic location or type of activity to another. The resulting estimate of $374.7 billion for both immediate and longer-run impacts is dominated by the impact that 9/11 is estimated to have had on the airline sector, which was developed by comparing the actual level of passenger flights on U.S. carriers to its pre-9/11 trend.

Figure 106

Economic Impacts of 9/11	First Year		Second Year		
	Low	High	Low	High	Average
	(billion 2002/03 USD)				
Immediate impacts	***$55.8***	***$72.0***			***$63.9***
Physical capital destruction[98]	$21.8	$21.8			
Casualties:					
Number of lives	3,000	3,000			
Value of life lost:					
SVL of $3m (low) or $5.8m (high)	$9.0	$17.4			
7-day shutdown of airline system[99]	$13.5	$21.3			
Lost New York City gross city product in 3 months after 9/11[100]	$11.5	$11.5			
Longer-run economic impacts	***$153.1***	***$233.6***	***$98.0***	***$154.6***	***310.8***
Airline sector impacts[101]	$137.3	$217.8	$98.0	$154.6	
Lost New York gross city product[102]	$15.8	$15.8	NA	NA	
TOTAL (second-year impacts discounted at rate of 7%)	***$300.0***	***$449.4***			***$374.7***

We assume that terrorist groups are seeking to inflict another attack with consequences on the order of magnitude of 9/11. We also assume that they are engaged in a campaign such that in every year during the 10-year period over which the costs and benefits of REAL ID are being evaluated, there is a positive and identical probability of being successfully attacked. Under this assumption, the expected present value of the consequences of the terrorist campaign against the U.S. homeland equals the sum of the expected values of consequences in each particular year over the 10-year period 2007-16:

$$\Pi_{2007}*K_{2007} + (1-\delta)*\Pi_{2008}*K_{2008} + (1-\delta)^2*\Pi_{2009}*K_{2009} + \ldots. + (1-\delta)^9*\Pi_{2016}*K_{2016} ,$$

where δ is the discount rate and K is the monetary value of consequences in real 2006 dollars. Because we assume that Π and K do not change from year to year, this can be re-written as:

$$\Pi*K + (1-\delta)*\Pi*K + (1-\delta)^2*\Pi*K + \ldots. + (1-\delta)^9*\Pi*K ,$$

or

$$D*\Pi*K ,$$

[98] Thompson, Jr., William. Comptroller City of New York, "One Year Later, the Financial Impact of 9/11 on New York City," September 4, 2002. <http://www.comptroller.nyc.gov/bureaus/bud/reports/impact-9-11-year-later.pdf>.
[99] Gordon, P. "Draft - The Economic Impacts of a Terrorist Attack on U.S. Commercial Aviation System," Under FEMA Grant N00014-050630, October 1, 2005. <http://www.usc.edu/dept/create/assets/001/50796.pdf>.
[100] Thompson, Jr., William.
[101] Gordon, P.
[102] Thompson, Jr., William.

where D equals $\{1 + (1-\delta) + (1-\delta)^2 + \ldots + (1-\delta)^9\}$. This expression is the sum of the expected discounted annual consequences of a terrorist campaign against the U.S. homeland over a ten-year period. As noted earlier, Real ID is anticipated to bring about a reduction in the annual probability of a successful attack from $\Pi_B - \Pi_A$, and the security benefit of Real ID over the ten-year period is therefore $D*(\Pi_B - \Pi_A)*K$. For Real ID to break even with respect to cost and expected security benefits, it must be the case that

$$D*(\Pi_B - \Pi_A)*K = C ,$$

or

$$\Pi_B - \Pi_A = C/(D*K) .$$

Assuming a discount rate on attack consequences of 7%, the cost of REAL ID of $17.2 billion at the 7% discount rate, and the high cost impact of $374.7 billion at the 7% discount rate, the value of C/D*K, in 2006 dollars, is 0.61%. For REAL ID to be fully justified by its primary security benefit, it must bring about a marginal reduction in the annual chance of a successful 9/11-type attack of 0.61%.[103]

Looking at only immediate impacts, and assuming a discount rate on attack consequences of 7%, the cost of REAL ID of $17.2 billion at the 7% discount rate, and the low cost impact of $63.9 billion at the 7% discount rate, the value of C/(D*K) is 3.60%. For REAL ID to be fully justified by its primary security benefit in immediate impacts alone, it must bring about a marginal reduction in the annual chance of a successful 9/11-type attack of 3.60%.

Without further information on the absolute level of Π_B, it is difficult to say whether 0.61% or 3.60% is a very large reduction in the chance of successful attack, or a more moderate reduction.

V.B. Ancillary Benefit of REAL ID: Identity Theft

Financial crime using identity theft as a means is growing. This form of crime includes opening bank accounts, check cashing, and credit card purchases. A recent survey suggests that in 2006, roughly 8.9 million U.S. adults were victims of some form of identity theft.[104] The survey

[103] For example, if the absolute probability of an attack in any given year is 10%, then the absolute probability of an attack in any given year after this rule is put into place must be drop to 9.39% in order for the rule to be justified. If the absolute probability of an attack in any given year is 1%, then the absolute probability of an attack in any given year after this rule is put into place must drop to 0.39% in order for the rule to be justified. An advantage of this approach is that no absolute probability of an attack in any given year need be assumed, as long as the probability of attack in that year is higher than the reduction in probability needed to justify the rule.

[104] *2006 Identity Fraud Survey Report,* Council of Better Business Bureaus and Javelin Strategy & Research. Accessed 26 Feb 07 <http://www.bbbonline.org/IDTheft/safetyQuiz.asp>

also provides estimates of the average monetary cost to victims of resolving the theft of $422 and an average number of hours spent by the victim to resolve the theft equal to 40. Using the average hourly U.S. wage rate in January 2007 of $17 to value this time, the value of time spent on resolving identity theft by households was $6.1 billion in 2006, and total resources in monetary terms spent by victims on resolving identity theft was $9.8 billion.[105] We use this as a measure of the total resource cost to households of resolving and defending against identity theft in 2006. This estimate is conservative, as it does not include a monetized measure of the stress and emotional suffering of victims, which is believed to be significant.[106] The cost of identity theft to private businesses is not valued here but is also presumably significant. Assuming a 3% inflation rate and 1% real growth rate in identity theft resolution/prevention resource costs and a 7% discount rate, the discounted value of these costs during 2007-16 is roughly $64 billion.

REAL ID will only have the ability to impact those types of identity theft that require a drivers license for successful implementation, and only to the extent that the rulemaking leads to incidental and required use of REAL ID documents in everyday transactions, which is an impact that also depends critically on decisions made by State and local governments and the private sector. The main types of identity theft, and the percentage of incidents reported to the US government that each accounts for, are reported by the Federal Trade Commission. Of the listed types of identity theft, the types that are likely to require the presentation of an identity document like a drivers license include bank fraud (existing and new accounts), employment related fraud, evasion of legal sanctions, medical fraud, insurance fraud, house/apartment rental fraud, and property rental fraud. These types of identity theft accounted for 28% of all reported incidents in 2005. Applying this percentage to the resource cost to households of $64 billion yields a value of $15.8 billion (2006 USD). If REAL ID reduces the successful commission of drivers license-necessary identity theft types by 10%, a benefit of $1.6 billion (2006 USD) could be enjoyed during 2007-16. DHS specifically requests comment on additional methods DHS may use to analyze the impact of REAL ID on identify theft, the extent to which the provisions of REAL-ID put in place in this rulemaking affect the commission of identity theft crimes, and additional estimates of the absolute impact of identity theft.

V.C. Ancillary Benefits of REAL ID: Unqualified Driving

Many unqualified drivers may rely on fraudulent or fraudulently obtained licenses (possibly from a different state) to maintain driving privileges despite having had them revoked. As discussed in the preamble to this proposed rule, although States currently take steps to try to ensure that drivers only have a valid driver's license in one State, this rulemaking will likely make both of these activities more difficult, and therefore may have an impact on the degree to

[105] U.S. citizens also spend resources to prevent identity theft. No estimate is available on the total amount spent on prevention measures. Three firms provide the public most account monitoring services designed to detect identity theft: Equifax, Experian, and TransUnion. Equifax is a public corporation and reported revenues of $114 million in 2005 on protection/monitoring products. (See form 10-K for EQUIFAX INC, March 2 2006. Accessed 26 Feb 07 http://biz.yahoo.com/e/060302/efx10-k.html) Assuming that the other two firms had similar sales on such products, households were apparently spending roughly $300 million on identity theft protection in 2005. This does not include the value of purchases of document shredders and shredding services

[106] It is important to note that this measure does not include the value of the fraud actually committed. This is a transfer from the victim(s) of the crime (household and/or business) to the perpetrator, and it is not clear that it should be incorporated into a welfare loss measure.

which unqualified and dangerous drivers remain on the road. Costs associated with auto crashes were estimated at $230.6 billion in 2000. Converting this into 2006 dollars, assuming a 3% annual inflation rate and –1% annual real growth rate for these costs, and assuming a 7% discount rate gives a value of $1,695 billion over 2007-16 for these costs. It has been estimated that drivers whose licenses have been suspended or revoked but who continue to drive are 3.7 times more likely to be involved in a fatal auto accident than drivers with valid licenses, and unlicensed drivers 4.9 times more likely.[107] To the extent that Real ID reduces the rate of driving by these drivers, it could reduce costs resulting from auto accidents. People whose licenses have been suspended or revoked might attempt to get a fake license so as to avoid detection and punishment in case of traffic stops and other law enforcement measures. No information is available on the total number of U.S. drivers of legal age whose license has been suspended or revoked, and on the number of these who acquire a fake drivers license.

During 1993-97, a total of 278,078 drivers were involved in fatal auto crashes in the U.S.[108] Of this, 16,813 had suspended or revoked licenses, 238,547 had valid licenses, and 10,228 had no license. Using the estimate that drivers with suspended/revoked licenses are 3.7 times more likely to be involved in a fatal auto accident than those with valid licenses, and the ratio of fatal accidents involving suspended/revoked drivers to fatal accidents involving valid drivers of 16,813/238,547, the ratio of the total population of revoked/suspended drivers who continue to drive to valid drivers is estimated at 0.019. Applying this ratio to the known number of valid licensed drivers in 2005 of 201 million, we estimate the population of suspended/revoked drivers who continue to drive at roughly 3.8 million.[109] To illustrate the possible impact of REAL ID on the rate of driving by those with suspended or revoked licenses, we assume that 2% of those with suspended/revoked licenses obtain fake drivers licenses. We further assume that REAL ID will cause 10% of these to stop driving, so that out of a population of 3.8 million suspended/revoked drivers who continue to drive, REAL ID will cause 7,658 to stop driving, which represents a fall in the total population of suspended/revoked drivers who continue to drive of 0.2%. Assuming that the ratio of 3.7 applies to all auto accidents as well as fatal crashes only, $15.2 billion of the cost of auto accidents in 2000 were attributable to drivers with suspended/revoked licenses. A 0.2% fall in this cost equals $0.03 billion, which is 0.013% of the total auto crash cost of $231 billion. Applying this to the discounted sum of auto crash cost over the 10-year period, we arrive at a value of $0.22 billion. DHS specifically requests comment on additional methods DHS may use to analyze the impact of REAL ID on unqualified driving, the extent to which the provisions of REAL-ID put in place in this rulemaking affect the incidence of unqualified driving, and additional estimates of the absolute impact of unqualified driving on auto safety.

[107] D.J. DeYoung, R.C. Peck, and C.J. Helander, "Estimating the Exposure and Fatal Crash Rates of Suspended/Revoked and Unlicensed Drivers in California", Accident Analysis and Prevention 29(1), pp.17-23.
[108] Data on fatal auto crashes cited here are from AAA Foundation for Traffic Safety, *Unlicensed to Kill* (2000), which analyzes FARS data on fatal auto crashes during 1993-97. Accessed 26 Feb 07, <http://www.aaafoundation.org/pdf/unlicensed2kill.PDF>
[109] Number of licensed drivers in U.S. in 2005 taken from U.S. Department of Transportation-Federal Highway Administration, *Highway Statistics 2005.*

V.D. Other Ancillary Benefits of REAL ID

OMB Circular A-4 states that a regulatory analysis should look beyond the direct benefits of a rulemaking and consider important ancillary benefits. There are several other potential ancillary benefits that REAL ID might bring that we have not attempted to quantify. These include possible reductions in the following:

- *Fraudulent access to public subsidies and benefit programs.* Programs such as Medicare, Medicaid, and in-state tuition rates can be accessed by fraudulently identifying oneself;
- *Illegal immigration.* REAL ID might reduce the rate of hiring of non-work-authorized aliens. This will depend on the identity documentation that state authorities or private employers will require for lawful employment and other purposes;
- *Unlawful employment.* Sexual predators can gain employment to sensitive positions through fraudulent identification;
- *Unlawful access to firearms.* Background checks to permit firearm purchase requires identification. Fraudulent identification could allow a criminal to unlawfully gain access to firearms that could be used in committing a crime;
- *Voter fraud.* Fraudulent voting can occur when an individual fraudulently identifies himself or herself.
- *Underage Drinking.* Underage drinkers of alcohol sometimes use fraudulent identification to obtain alcohol. Available studies suggest that over 20% of high school-age and 40% of university-age students have used fake IDs to purchase alcohol illegally[110]
- *Underage Smoking.* Underage smokers also sometimes use fraudulent identification to obtain cigarettes. The percentage of 15-year-olds who smoke daily is estimated on the basis of large surveys of substance abuse in the U.S. to have been 12% in 2004.[111]

REAL ID may reduce on the margin the rate at which these fraudulent activities take place. The degree to which it does so will partly depend on state and local authority and/or private employer decisions as to what form of identification is acceptable for particular purposes, and the effectiveness with which identification checks are implemented.

V.E. Enabled Opportunities

We finally note that REAL ID might provide benefits in other ways that can be labeled "enabled opportunities." A more secure and widely used form of identification provides an incremental layer of security on which others may depend. It may encourage wider acceptance of

[110] Institute of Medicine, Reducing Underage Drinking: A Collective Responsibility, 2004, <http://books.nap.edu/books/0309089352/html>.
[111] "Smoking and Alcohol Use." U.S. Teens in Our World. HRSA. Accessed 21 Feb 07, <http://mchb.hrsa.gov/mchirc/_pubs/us_teens/main_pages/ch_5.htm>.

a driver's license for identification purposes in new applications and may reduce the number of vetting processes that a person must undergo in private settings which maintain various levels of security by creating efficiencies in identification and vetting processes. Because of the more robust databases put in place due to this rulemaking, citizens may be able to address issues with database errors before problems arise (e.g. claiming Social Security benefits), which may mitigate potential losses. Finally, internal government processes would be improved, cross-jurisdictional communications would be better enabled, and more efficient cross-checking of databases for government purposes can be carried out.

VI. Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980[112] (RFA), as amended, was enacted by Congress to ensure that small entities (small businesses, small not-for-profit organizations, and small governmental jurisdictions) are not unnecessarily or disproportionately burdened by Federal regulations. The RFA requires agencies to review rules to determine if they have "a significant economic impact on a substantial number of small entities." The following analysis suggests that the proposed rule would not have a significant economic impact on a substantial number of small entities. The Department of Homeland Security requests comments on all aspects of this analysis.

Reason for regulatory action

The Department is considering the proposed regulations in order to implement the requirements outlined in the REAL ID Act.[113]

Objectives of the proposed rule

The proposed rule would establish minimum standards for the issuance of state-issued driver's licenses and non-driver identification cards (DL/IDs). These minimum standards would:

- Enhance the security features of DL/IDs rendering them more difficult to counterfeit, tamper with or cannibalize;
- Ensure that holders of unexpired REAL IDs are lawfully present in the United States;
- Enhance physical security of materials and production locations to reduce the likelihood of theft of materials and infiltration of DMVs by nefarious individuals;
- Enhance identity source document requirements and verifications to reduce the number of DL/IDs issued by DMVs to persons committing identity fraud; and,
- Ensure that a driver is licensed in only one State.

In short, these rules are designed to ensure that holders of unexpired REAL IDs are who they say they are and that they are lawfully present in the United States.

Description and estimate of the number of small entities

The proposed rule directly regulates States, which by definition are not small entities. The rule indirectly regulates entities that accept state-issued DL/IDs for Federal official purposes. The proposed rule defines those purposes as accessing Federal facilities, entering nuclear power plants and boarding federally regulated commercial aircraft. The entities that accept DL/IDs for those purposes include the Federal Government, operators of nuclear power plants and entities examining personal identity documents of people boarding federally regulated commercial aircraft. The proposed rule does not require action from any of these three entities. However, these entities are likely to engage in some activity to ensure that they comply with the Act. The

[112] Regulatory Flexibility Act, Pub. L. No 96-354, 94 Stat. 1164 (codified at 5 U.S.C. § 601).
[113] *REAL ID ACT of 2005*. Pub. L. 13, 109th Cong., 1st sess. (May 11, 2005), 201, 202.

remainder of this section estimates the number of small entities that are affected in this indirect way.

The Federal Government is not a small entity. Therefore, no small entities are affected by the prohibition on accepting state-issued DL/IDs that are not REAL IDs to access Federal facilities.

Nuclear power plants, though not directly regulated, may experience indirect impacts from this proposed regulation. A nuclear power plant qualifies as a small entity if "including its affiliates, it is primarily engaged in the generation, transmission, and/or distribution of electric energy for sale and its total electric output for the preceding fiscal year did not exceed 4 million megawatt hours."[114] With only three exceptions, every nuclear power plant in the United States produced more than 4 million megawatt hours in fiscal year 2005.[115] However, companies producing more than 12 million megawatt hours own each of those three plants.[116] None of the nuclear power plants qualifies as small businesses using the SBA definition. Therefore, no small entities are affected by the prohibition on accepting state-issued DL/IDs that are not REAL IDs to enter nuclear power plants.

Entities examining identity documents of people who are boarding federally regulated commercial aircraft would not be directly regulated by the proposed rulemaking. However, they may experience indirect effects. Different types of entities examine personal identity documents of people boarding federally regulated commercial aircraft. Currently, this responsibility falls on the entity with which passengers check their luggage, the entity examining boarding passes and IDs immediately in front of TSA screening checkpoints, and, when completed to fulfill federal requirements, the entities examining IDs directly before allowing passengers to board aircraft. The easiest group of entities to identify in this category is the airlines that enplane from and/or deplane into the sterile area of an airport.[117] The Small Business Administration considers companies operating either scheduled or non-scheduled chartered passenger air transportation to be small entities if they have fewer than 1,500 employees.[118] Using these criteria, DHS has identified 24 specific small entities that offer scheduled or non-scheduled air passenger transportation and that enplane from or deplane into an airport sterile area. Other federally regulated commercial aircraft would include charter flights, air taxis, scenic air tours and other similar operations where the transportation of passengers for compensation comprises the majority of their revenues. Many of these entities would qualify as small entities under the SBA definition.

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[114] Small Business Administration. *Small Business Size Standards Matched to North American Industrial Classification System.* Footnote #1. Available at < http://www.sba.gov/size/sizetable2002.html#fn1>. Accessed Jul 14, 2006.

[115] Calculations based on data from the Energy Information Administration. U.S. Department of Energy. *Monthly Nuclear Utility Generation by State and Reactor, 2004* and *Monthly Nuclear Utility Generation by State and Reactor, 2005*. Available at <http://www.eia.doe.gov/cneaf/nuclear/page/nuc_generation/gensum.html>. Accessed Jul 14, 2006.

[116] Conclusion based on an internet search conducted on July 14, 2006 of the three specific power plants and the companies that own and operate them.

[117] "Sterile area" is defined in 49 CFR 1540.5 and generally means an area with access limited to persons who have undergone security screening by TSA. Therefore, only TSA-regulated airports have sterile areas.

[118] U.S. Small Business Administration. *Small Business Size Standards Matched to North American Industrial Classification System.* NAICS 481111 and 481211. Available at < http://www.sba.gov/size/sizetable2002.html>. Accessed Jul 14, 2006.

SBA data show that, overall, 2,719 of the 2,877 firms engaged in air transportation (NAICS 481) had fewer than 500 employees in 2004.[119] Nearly all firms in the air transportation industry fall well below the 1,500-employee size standard to qualify as a small entity. (Note that the federal requirements may not require all of these firms to examine passenger identity documents prior to boarding.)

Estimate of compliance requirement

Because States are not small entities, the estimate of their compliance requirements are not detailed in this initial regulatory flexibility analysis. The entities indirectly regulated in their acceptance of state-issued DL/IDs for Federal official purposes have no explicit regulatory requirements with which they must comply. However, DHS is estimating some of the indirect impacts that small entities may face due to the proposed regulation. For the purpose of this analysis, DHS assumes that they would train employees that accept identification in order to comply with the REAL ID rule, which would prohibit the acceptance of state-issued DL/IDs unless they are REAL IDs for Federal official purposes. Of the three types of entities accepting DL/IDs for Federal official purposes, the small entities are those examining identification documents of people boarding federally regulated commercial aircraft.

DHS estimates that each employee accepting DL/IDs for official purposes would require two hours of training. This training will assist personnel in identifying the differences between REAL IDs and other state-issued DL/IDs. The training would also inform personnel about which States are or are not compliant during the phase-in period. In order to assess the cost of this training, DHS calculated the fully loaded wage rate of $22.95 per hour for airline ticket counter agents and $22.50 per hour for airport checkpoint staff. Multiplying the wage rates by the estimated two hours to complete the training yields estimates of $45.90 and $45.01 per employee for ticket counter agents and checkpoint staff, respectively. The next step to determine if firms' action would have a significant impact would be dividing the summed products of wage rates and trained employees by firm revenue. Doing so yields the impact on the firm as a percent of their total receipts. However, data on how many employees firms would train do not exist on an industry level, much less at the firm level throughout the industry. Alternatively, a threshold analysis can determine at what point the revenue to trained employee ratio would constitute a one or three percent impact for a firm.

The Department has determined threshold levels that would cause an indirect impact equal to or less than one percent and equal to or greater than three percent of an entity's total revenue. If a firm's ratio were higher than the one percent threshold, the economic impact for that firm is not significant. If their ratio were lower than the three percent threshold, the economic impact would be larger than three percent of the firm's revenue. The threshold values are measured as the ratio of total revenue to the number of employees to be trained regarding REAL ID. If the ratio of a firm's revenue per trained counter agent is more than $4,590, then the effect is less than one percent of total revenue. If one percent yields $4,590:1, then the three percent threshold ratio would lie at $1,350:1–if a firm's revenue per counter agent were less than $1,530, then the effect

[119] U.S. Small Business Administration. *U.S. Data Classified by Employment Size of Firm: All industries, 2003-2004.* Available at <http://www.sba.gov/advo/research/data.html>. Accessed 4 Oct 2006.

would be greater than three percent. The same approach can be applied to airport checkpoint staff yielding $4,501:1 at one percent and $1,500:1 at three percent. (See Figure 107.)

Figure 107: IRFA threshold for significant impact

Employee type	Airport ticket counter agent	Airport checkpoint staff
Fully loaded wage	$ 22.95	$ 22.50
Hours of training	2	2
Training cost per employee	$ 45.90	$ 45.01

Impact size (as % of revenue)	Total revenue to trained employee ratio (X : 1)	
1%	$ 4,590	$ 4,501
2%	2,295	2,250
3%	1,530	1,500

Applying the one percent threshold—the most stringent—to the 24 scheduled service firms specifically identified as small entities suggests that training employees regarding REAL ID would not impose a significant economic impact on a substantial number of small entities. Dividing a firm's total 2005 revenue by $4,590 yields an estimate of how many employees would need to be trained before the indirect impact reaches the one percent of total revenue threshold. Comparing that estimate to the number of employees at each firm in 2005 reveals that companies would need to train anywhere from 6 to 56 times their total number of employees, including those who would not examine identification documents.[120]

The aggregated nature of industry-wide data does not allow for a firm-by firm analysis of the more than 2,719 small firms involved in air transportation. However, analysis of firms grouped by receipts in 2002 provides insight into the likelihood that entities would experience a significant indirect impact. Dividing receipts by the one percent threshold of $4,590 for each group estimates the number of employees that would result in a one percent impact on each group. The ratio of actual reported employees to threshold employees reveals that every group for which data is available would need to train multiple times more employees regarding REAL ID than they actually employ. The smallest ratio (largest impact) is for scheduled passenger air transportation (NAICS 48111) that earned less than $100,000, implying that they would need to train more than 11 times the number of people than they employed before the impact would reach one percent of their receipts.[121] The largest ratio (smallest impact in terms of percent of revenues) would fall on nonscheduled chartered passenger firms (NAICS 481211) earning more than $100 million that would need to train more than 85 times the size of their workforce to reach the one percent impact threshold.

The combination of the firm specific analysis and the analysis of aggregated firms within receipt categories suggests that the indirect impact of training agents regarding REAL ID for the

[120] Data from BTS (Form 41, Schedule P10); Duns and Bradstreet; Yahoo! Finance, and; Hoovers.com.
[121] Data from U.S. Small Business Administration. *U.S. All Industries by Receipt Size: 2002*. Available online at <http://www.sba.gov/advo/research/data.html>. Accessed 4 Oct 2006.

official purpose of boarding federally regulated commercial aircraft would not constitute a significant economic impact on a substantial number of small entities.

DHS requests comments on the conclusion that the regulation does not directly impact any small entities. DHS also requests comments on the analysis of the indirect impacts discussed above and on its conclusion that the indirect impacts would not likely constitute a significant impact on a substantial number of small entities.

The above analyses show that it is unlikely that the prohibition on accepting state-issued DL/IDs, unless they are REAL IDs, would have a significant economic impact on a substantial number of small entities. Further, the only directly regulated entities are States, which by definition are not small entities. Therefore, the Department concludes that the proposed rule would not have a significant economic impact on a substantial number of small entities and welcomes comments regarding this conclusion.

Significant alternatives considered

Significant alternatives to the proposed requirements considered by DHS do not appear in this section because the proposed rule would not have a significant economic impact on a substantial number of small entities. However, significant alternatives are discussed in the cost estimate and alternatives analysis section of the regulatory evaluation.

Duplicative, overlapping and conflicting rules

DHS is unaware of any duplicative, overlapping or conflicting regulations that would directly affect small entities.

VII. International Trade

The Trade Agreement Act of 1979 prohibits Federal agencies from engaging in any standards or related activities that create unnecessary obstacles to the foreign commerce of the United States. Legitimate domestic objectives, such as safety, are not considered unnecessary obstacles. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards. There is no international standard for state-issued driver licenses or non-driver identification cards. DHS has determined that the proposed regulation would not have an impact on trade.

VIII. Unfunded Mandates Analysis

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires Federal agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of more than $100 million in any one year (adjusted for inflation with base year of 1995). Before promulgating a rule for which a written statement is needed, section 205 of the UMRA generally requires agencies to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objective of the rule. Agencies are also required to seek input from the States in the preparation of such rules.

The provisions of section 205 do not apply when they are inconsistent with applicable law. Moreover, section 205 allows DHS to adopt an alternative other than the least costly, most cost-effective, or least burdensome alternative if the agency publishes with the final rule an explanation why that alternative was not adopted.

This proposed rule calls for voluntary action on the part of States and, therefore, the Department of Homeland Security does not consider it an unfunded mandate. As set forth in section 202(a)(1) of the REAL ID Act, the law is binding on Federal agencies—not on the States. Indeed, in the Conference Report, Congress specifically stated that the "application of the law is indirect, and hence States need not comply with the listed standards." Conf. Rep. at 177.

Moreover, as indicated above, UMRA excludes from its scope regulations which are required for national security reasons. National security was a primary motivator for the REAL ID Act; indeed, the Act itself is an effort to implement recommendations of the 9/11 Commission, and Congress took pains to explain the connection between REAL ID and national security, with over a dozen references to "terrorists" or "terrorism" in the Conference Report. See *9/11 Commission Public Report*, Chapter 12.4; Conf. Rep., 179 - 183.

Notwithstanding the voluntary nature of the REAL ID Act, DHS assumes that States will willingly comply with the proposed regulation to maintain the conveniences enjoyed by their residents when using their state-issued driver's licenses and non-driver identity cards for official purposes, particularly as it pertains to domestic air travel. While, for the reasons set forth above, DHS believes that the REAL ID Act does not constitute an unfunded mandate, DHS nevertheless believes that many States may find noncompliance an unattractive option.

Based on that knowledge, DHS has taken steps to comply with the requirements of UMRA. Specifically, DHS has analyzed the estimated cost to states and considered appropriate alternatives to, and benefits derived from, the proposed regulation. Moreover, DHS has solicited input from State and local governments in the preparation of this proposed rule.

IX. Requests for comments and data

DHS welcomes data and comments regarding the economic evaluation of the REAL ID proposed rulemaking. The most useful comments identify a specific part of the evaluation or rule and supply alternative methods or data for evaluation. DHS is particularly interested in comments and data relating to the following areas:

1) The global assumptions listed in the Cost Estimate and Alternatives section;
2) The effort required to obtain source documents and how many people have each readily available;
3) The number of States that will switch from over-the-counter to central issuance processes;
4) Alternative means to show social security number to DMVs so that they may verify it via SSOLV;
5) The appropriateness of encrypting data in the machine readable zone and, if appropriate, descriptions of the logistics and costs associated with suggested encryption methods;
6) The number of personnel at nuclear power plants that would need to be trained in the acceptance of DL/IDs;
7) The cost to develop training courses for agents accepting REAL IDs for both official Federal and other (official State) purposes;
8) The proportion of applicants for certified copies of state-issued birth certificates that will apply in person and the average time they spend:
    A) Filling out the application;
    B) Traveling to the office of vital records;
    C) Waiting in line;
    D) With a counter agent to submit the application, and;
9) The cost for disqualified employees to file waivers or appeals, the proportion of disqualified employees that will file waivers or appeals and proportion of DMV employees that will be disqualified by criminal history records checks and financial history records checks;
10) The relationship between more secure documents and identity fraud, and the value of preventing identity fraud;
11) For each of the following type of social security number mismatches, the cost to DMVs, individuals and the Social Security Administration to resolve the mismatch and the proportion of the mismatch type to all mismatches:
    A) Typographical error;
    B) Incorrect data provided by the DL/ID applicant, and;
    C) Most recent legal name not reflected in the SSA database;

DHS specifically requests data from State DMVs and their vendors pertaining to the following (when sending data, please be as specific as possible):

1) How much longer it would take applicants to complete the paperwork for a REAL ID application;

2) On average, how long it currently takes applicants to complete the paperwork for an application for a DL/ID;
3) Non-direct labor (e.g. overhead) costs for increasing "window hours" (either lengthening current hours or adding new windows), especially expressed as a ratio to direct labor costs;
4) The current state-wide average wait time for DL/ID applicants;
5) Estimated state-wide average wait time under REAL ID;
6) Current application processing time for each type of transaction;
7) Estimated processing time for each type of transaction under the proposed rule;
8) Current physical security levels and the cost to upgrade physical security;
9) The cost to switch from over-the-counter and hybrid issuance systems to central issuance;
10) If a state were to maintain its OTC system, the cost to physically secure OTC locations;
11) Granular data on card production costs (e.g. the amount for the card stock, manufacturing, IT infrastructure leased to the state, machine readable technology, etc.);
12) The cost to upgrade DMV computer systems including databases and connectivity to other necessary IT systems;
13) Current facility operating costs and the cost to increase the hours that customer service windows are open;
14) The cost to conduct information awareness campaigns during the phase-in period;
15) Quantitative and qualitative descriptions of relevant DL/ID systems and processes in U.S. territories and possessions (American Samoa, Guam, the Commonwealth of the Northern Marianas, Puerto Rico, and the Virgin Islands) and estimates of their costs to comply with the proposed rulemaking, and;
16) The cost of producing DL/IDs that meet the machine readable and document security standards of the proposed rule as well as alternatives to the standards of the rule.

Appendix A: Populations

State populations

Many of the calculations used in the analysis are based upon the estimated and projected population age 16+ of the states. (See Figure 108.) These numbers are used to estimate DL/ID to population ratios, the number DL/ID holders in a given year, gross growth in DL/ID issuance, etc.

Figure 108: Estimated[122] and projected[123] population age 16+

State	2000	2001	2002	2003	2004	2005	2006	2007	2008
US	217,149,127	220,555,903	223,252,600	225,917,470	228,621,674	230,335,094	233,048,013	235,697,149	238,226,452
AL	3,451,586	3,483,833	3,497,709	3,528,199	3,561,826	3,541,779	3,561,755	3,580,561	3,597,863
AK	457,728	464,793	473,492	481,778	489,770	499,933	506,745	513,271	519,159
AZ	3,907,526	4,008,287	4,112,963	4,222,846	4,356,838	4,504,367	4,627,916	4,752,547	4,877,853
AR	2,072,622	2,090,664	2,103,846	2,125,956	2,153,785	2,163,293	2,181,689	2,199,778	2,216,871
CA	25,599,275	26,159,655	26,608,072	26,997,699	27,328,932	27,666,498	28,093,135	28,517,175	28,923,493
CO	3,322,455	3,414,911	3,477,581	3,510,632	3,549,927	3,594,767	3,633,051	3,669,887	3,705,060
CT	2,651,452	2,684,107	2,713,652	2,744,517	2,761,843	2,760,424	2,783,585	2,804,954	2,824,330
DE	610,269	625,969	632,588	645,493	658,857	660,054	669,711	679,224	688,110
DC	468,575	468,325	465,468	458,844	454,029	448,966	445,678	442,530	439,252
FL	12,741,821	12,987,300	13,258,250	13,510,816	13,846,842	14,099,092	14,403,688	14,708,657	15,011,655
GA	6,250,708	6,395,911	6,514,924	6,621,354	6,745,607	6,826,000	6,938,568	7,048,309	7,154,599
HI	949,184	960,968	971,861	984,821	996,946	1,006,005	1,018,640	1,030,616	1,041,225
ID	969,166	994,165	1,014,314	1,037,570	1,063,668	1,067,787	1,086,332	1,104,705	1,122,617
IL	9,530,327	9,628,413	9,708,231	9,767,655	9,830,577	9,826,724	9,885,362	9,940,285	9,989,343
IN	4,682,392	4,713,604	4,738,057	4,777,303	4,814,983	4,834,697	4,867,347	4,898,789	4,928,040
IA	2,281,002	2,307,335	2,317,776	2,334,366	2,356,294	2,336,670	2,347,875	2,358,304	2,367,317
KS	2,058,489	2,081,550	2,095,832	2,114,405	2,131,732	2,130,601	2,143,671	2,155,352	2,166,282
KY	3,161,283	3,191,865	3,212,147	3,244,617	3,276,725	3,272,452	3,295,451	3,317,844	3,339,031
LA	3,394,854	3,411,647	3,432,698	3,455,212	3,485,524	3,485,760	3,505,901	3,525,109	3,542,594
ME	1,010,273	1,030,620	1,044,594	1,060,559	1,072,816	1,071,358	1,082,563	1,092,984	1,102,635
MD	4,085,342	4,162,133	4,221,441	4,284,773	4,322,066	4,376,960	4,438,455	4,497,541	4,553,495
MA	5,008,007	5,082,560	5,094,865	5,113,097	5,120,379	5,179,391	5,218,995	5,256,628	5,290,561
MI	7,628,170	7,722,217	7,775,965	7,831,901	7,873,617	7,946,639	8,015,039	8,079,181	8,136,491
MN	3,782,817	3,869,308	3,916,132	3,963,595	4,009,941	4,047,393	4,097,183	4,144,896	4,190,140
MS	2,160,165	2,183,987	2,194,810	2,213,721	2,238,159	2,230,836	2,245,909	2,260,137	2,273,548
MO	4,331,937	4,400,561	4,438,019	4,486,790	4,533,757	4,512,192	4,547,718	4,582,056	4,614,159
MT	701,423	715,068	720,801	733,170	746,428	743,531	751,854	759,585	766,844
NE	1,314,974	1,329,456	1,336,858	1,351,350	1,363,419	1,349,904	1,355,637	1,360,613	1,364,962
NV	1,537,896	1,598,009	1,658,796	1,717,073	1,792,565	1,820,145	1,874,422	1,929,188	1,984,413
NH	960,593	986,855	1,005,506	1,020,147	1,032,902	1,043,847	1,059,482	1,074,766	1,089,172
NJ	6,545,471	6,619,834	6,685,025	6,736,172	6,780,438	6,868,160	6,932,646	6,993,382	7,049,681
NM	1,370,134	1,390,567	1,411,776	1,440,048	1,469,874	1,472,008	1,491,290	1,509,304	1,525,597
NY	14,797,284	14,960,025	15,083,516	15,153,717	15,172,163	15,198,282	15,289,544	15,372,674	15,444,147
NC	6,291,182	6,384,636	6,471,327	6,552,581	6,649,859	6,805,285	6,916,802	7,027,993	7,136,687
ND	502,176	505,105	504,075	508,042	513,525	506,797	508,803	510,482	511,905
OH	8,789,530	8,865,160	8,908,545	8,957,613	9,004,515	8,981,186	9,022,215	9,060,865	9,093,987
OK	2,665,966	2,691,945	2,711,589	2,736,876	2,762,663	2,733,466	2,747,673	2,761,503	2,774,759
OR	2,673,283	2,718,336	2,768,812	2,809,687	2,840,018	2,848,288	2,884,398	2,919,951	2,954,518
PA	9,693,987	9,753,416	9,813,709	9,868,059	9,915,414	9,933,146	9,992,485	10,047,263	10,095,381
RI	827,474	841,252	852,096	860,222	865,598	863,896	872,570	880,901	888,579
SC	3,115,130	3,161,010	3,202,227	3,242,148	3,289,727	3,326,796	3,372,029	3,416,063	3,457,786
SD	577,391	585,341	588,077	595,117	603,607	599,274	602,807	605,982	608,927
TN	4,445,987	4,506,392	4,554,948	4,608,358	4,666,755	4,682,463	4,732,455	4,782,370	4,830,161
TX	15,618,097	15,952,626	16,241,239	16,559,302	16,892,766	17,133,078	17,426,874	17,717,444	18,003,410
UT	1,598,531	1,632,044	1,660,142	1,688,301	1,724,327	1,733,358	1,759,979	1,786,953	1,813,483
VT	479,265	489,466	494,760	500,269	505,030	510,234	516,530	522,568	528,140
VA	5,529,436	5,619,006	5,689,970	5,771,234	5,858,053	5,945,479	6,031,564	6,116,452	6,198,063
WA	4,552,631	4,657,170	4,737,265	4,808,916	4,892,534	4,892,614	4,960,852	5,029,180	5,097,033
WV	1,455,370	1,453,955	1,459,237	1,469,565	1,476,888	1,471,739	1,476,881	1,481,657	1,485,575
WI	4,156,609	4,227,931	4,264,516	4,312,996	4,362,246	4,379,277	4,420,681	4,459,968	4,496,006
WY	381,882	386,610	392,501	397,988	404,920	402,203	405,578	408,722	411,513

[122] Years 2000 -2004. US Census Bureau. Mar 10, 2005. Available at <http://www.census.gov/popest/datasets.html>. Accessed Feb 3, 2006.
[123] Years 2005-2017. US Census Bureau. Apr 2005. Available at <http://www.census.gov/population/projections/DownldFile3.xls>. Accessed Feb 3, 2006.

Figure 108: Estimated and projected population age 16+ (Continued)

State	2009	2010	2011	2012	2013	2014	2015	2016	2017
US	240,645,547	242,936,408	245,148,147	247,291,789	249,339,143	251,347,383	253,360,564	255,402,962	257,588,829
AL	3,614,400	3,629,340	3,643,243	3,656,421	3,668,987	3,681,630	3,694,519	3,708,532	3,724,962
AK	524,513	529,462	534,121	538,572	542,766	546,883	551,067	555,374	560,139
AZ	5,004,011	5,130,117	5,258,151	5,387,899	5,519,202	5,652,505	5,789,554	5,930,682	6,079,212
AR	2,233,133	2,248,434	2,263,702	2,279,441	2,295,012	2,310,494	2,325,966	2,341,587	2,357,608
CA	29,309,702	29,677,782	30,031,798	30,369,836	30,684,746	30,982,314	31,271,792	31,564,291	31,880,630
CO	3,738,492	3,769,744	3,800,236	3,830,294	3,859,505	3,888,637	3,919,100	3,950,883	3,986,275
CT	2,842,335	2,858,303	2,872,628	2,886,084	2,897,911	2,907,698	2,917,124	2,924,564	2,931,145
DE	696,674	704,691	712,286	719,499	726,181	732,885	739,444	745,908	752,599
DC	435,748	431,722	427,142	422,270	416,944	411,239	405,152	399,293	394,319
FL	15,316,148	15,620,787	15,926,486	16,236,015	16,549,006	16,867,332	17,193,936	17,531,805	17,893,215
GA	7,258,804	7,358,454	7,455,154	7,550,369	7,643,071	7,734,584	7,826,848	7,920,644	8,023,393
HI	1,050,673	1,059,232	1,066,671	1,073,141	1,078,257	1,082,548	1,086,175	1,089,354	1,094,169
ID	1,140,247	1,157,441	1,174,633	1,192,093	1,209,527	1,226,974	1,245,035	1,263,473	1,282,334
IL	10,034,243	10,074,274	10,110,621	10,142,265	10,167,060	10,188,852	10,209,000	10,228,973	10,254,828
IN	4,955,161	4,979,674	5,002,551	5,024,793	5,044,696	5,064,390	5,084,230	5,104,200	5,124,921
IA	2,375,030	2,381,106	2,386,023	2,390,090	2,393,389	2,396,091	2,398,661	2,400,794	2,402,231
KS	2,175,953	2,184,537	2,192,717	2,200,408	2,207,084	2,213,869	2,221,058	2,228,195	2,235,284
KY	3,358,532	3,376,557	3,393,917	3,410,194	3,425,456	3,440,711	3,456,474	3,472,402	3,488,939
LA	3,558,486	3,571,929	3,583,260	3,593,183	3,602,104	3,611,231	3,620,553	3,630,620	3,642,426
ME	1,111,239	1,118,859	1,125,817	1,132,243	1,138,077	1,143,439	1,148,540	1,153,151	1,157,527
MD	4,606,203	4,655,280	4,702,309	4,746,908	4,788,802	4,828,863	4,868,746	4,908,115	4,950,323
MA	5,322,325	5,350,280	5,376,005	5,398,967	5,419,204	5,437,716	5,454,815	5,470,906	5,489,206
MI	8,186,993	8,231,741	8,272,275	8,307,295	8,337,734	8,365,726	8,391,601	8,415,128	8,438,623
MN	4,233,203	4,273,985	4,313,063	4,351,011	4,387,299	4,422,765	4,458,162	4,493,238	4,529,023
MS	2,286,446	2,297,533	2,307,781	2,317,161	2,325,565	2,334,301	2,343,246	2,352,693	2,363,893
MO	4,643,954	4,671,042	4,696,205	4,720,546	4,743,182	4,766,135	4,788,816	4,811,038	4,833,942
MT	773,475	779,658	785,424	790,846	795,883	800,732	805,601	810,227	814,694
NE	1,368,423	1,371,341	1,374,084	1,376,355	1,378,193	1,379,860	1,381,917	1,384,018	1,386,546
NV	2,039,837	2,095,651	2,151,992	2,208,870	2,265,790	2,322,783	2,380,527	2,438,749	2,498,216
NH	1,102,992	1,116,164	1,129,052	1,141,432	1,153,303	1,164,721	1,175,820	1,186,486	1,197,201
NJ	7,102,952	7,152,674	7,200,137	7,245,248	7,286,509	7,325,342	7,362,866	7,399,156	7,435,475
NM	1,540,518	1,553,644	1,565,437	1,576,274	1,585,917	1,595,028	1,604,038	1,612,603	1,620,932
NY	15,505,251	15,554,100	15,594,841	15,626,338	15,644,489	15,654,318	15,659,084	15,661,619	15,672,169
NC	7,243,166	7,346,403	7,447,615	7,547,322	7,645,894	7,745,481	7,847,178	7,951,513	8,062,550
ND	512,973	513,773	514,227	514,430	514,373	514,132	513,607	512,910	511,997
OH	9,121,783	9,143,656	9,161,919	9,177,583	9,188,006	9,197,297	9,205,503	9,213,156	9,222,733
OK	2,786,428	2,796,813	2,806,395	2,815,775	2,825,433	2,835,825	2,846,626	2,857,460	2,869,177
OR	2,987,948	3,020,641	3,053,757	3,087,727	3,121,941	3,156,318	3,191,584	3,227,842	3,264,950
PA	10,137,824	10,173,407	10,203,082	10,227,560	10,245,272	10,259,671	10,272,698	10,284,531	10,297,247
RI	895,583	901,743	907,124	911,629	915,482	918,858	921,681	923,850	925,858
SC	3,497,395	3,534,169	3,569,423	3,603,388	3,635,925	3,668,293	3,700,639	3,733,534	3,767,954
SD	611,451	613,598	615,393	617,112	618,562	619,811	621,197	622,389	623,390
TN	4,875,950	4,919,997	4,963,635	5,006,359	5,047,670	5,089,436	5,132,057	5,175,254	5,220,929
TX	18,283,280	18,555,275	18,823,578	19,092,912	19,360,449	19,629,547	19,904,240	20,191,543	20,503,068
UT	1,839,810	1,865,796	1,892,761	1,920,338	1,948,699	1,977,916	2,008,827	2,041,376	2,074,850
VT	533,350	538,265	542,777	546,769	550,427	553,816	557,112	560,129	563,080
VA	6,277,184	6,353,047	6,426,721	6,497,373	6,566,140	6,633,716	6,701,768	6,770,266	6,842,723
WA	5,163,610	5,228,246	5,292,828	5,357,575	5,422,917	5,489,662	5,557,754	5,627,127	5,698,864
WV	1,488,314	1,490,217	1,491,500	1,492,291	1,492,366	1,492,005	1,491,511	1,491,038	1,490,308
WI	4,529,398	4,559,653	4,587,679	4,613,631	4,637,459	4,660,161	4,682,710	4,704,527	4,725,743
WY	414,004	416,171	417,971	419,654	421,277	422,842	424,405	425,816	427,009

To estimate the number of DL/IDs on file in future years, DHS calculated the DL/ID to population ratio (presented in Figure 110) by dividing DL/IDs on file as reported by States in AAMVA's first 2006 survey by the US Census' projected population for each state age 16+. In the few cases where States did not provide data to the AAMVA survey, DHS used the mean state response as reported in the Federal Highway Administration's Highway Statistics series for years 2000 through 2004 and the ratio from the AAVMA data for 2005. (See Figure 109.) To calculate the number of DL/ID holders in any given year, the DL/ID to population age 16+ ratio is limited to one.

Figure 109: Mean ratio of drivers to population age 16+ over years 2000-2005[124]

State	Mean	Variance	State	Mean	Variance
US†	0.8787		MO	0.8911	0.0002
AL	1.0636	0.0115	MT	0.9609	*
AK	1.0053	0.0002	NE	0.9723	0.0028
AZ	0.9076	0.0030	NV	0.8815	0.0002
AR	0.9263	0.0009	NH	0.9550	*
CA	0.8326	*	NJ	0.8578	*
CO	0.9146	0.0015	NM	0.8862	0.0005
CT	0.9642	0.0024	NY	0.7562	0.0019
DE	0.8935	0.0017	NC	0.9206	0.0001
DC	0.7072	0.0016	ND	0.9097	0.0001
FL	0.9898	0.0026	OH	0.8696	0.0009
GA	0.8910	0.0006	OK	0.8513	0.0004
HI	0.8447	0.0011	OR	0.9368	0.0004
ID	0.8969	0.0001	PA	0.8474	*
IL	0.8316	0.0004	RI	0.8281	0.0008
IN	0.9278	0.0060	SC	0.9096	0.0001
IA	0.8645	0.0007	SD	0.9375	0.0001
KS	0.9268	0.0002	TN	0.9274	0.0002
KY	0.8636	0.0001	TX	0.8486	0.0016
LA	0.9315	0.0263	UT	0.9177	*
ME	0.9084	0.0002	VT	1.0839	0.0010
MD	0.8385	0.0004	VA	0.8792	0.0002
MA	0.9063	0.0001	WA	0.9220	0.0002
MI	0.9042	*	WV	0.8960	0.0005
MN	0.7948	0.0042	WI	0.8763	0.0006
MS	0.9048	0.0102	WY	0.9299	0.0052

* Variance is less than 0.00005

† Mean of states weighted by population age 16+

[124] For years 2000-2004, number of drivers per state obtained from: Office of Highway Policy Information, US Department of Transportation. Highway Statistics. Section III: Driver Licensing. Available at: <http://www.fhwa.dot.gov/policy/ohpi/qfdrivers.htm>. Accessed Apr 26, 2006. For the year 2005, data from AAMVA's first survey of 2006.

Figure 110: Ratio of IDs and DL/IDs on file to population age 16+ in 2005[125]

State	Ratio (IDs)	Ratio (both)	State	Ratio (IDs)	Ratio (both)
US*	0.1456	1.0644	MO	0.1598	1.0763
AL	0.1817	1.4643	MT	0.0214	0.9837
AK		1.0006	NE	0.0950	1.1773
AZ	0.2106	1.2268	NV	0.2309	1.1286
AR	0.1331	1.0741	NH		
CA	0.1298	0.9555	NJ	0.0437	0.9027
CO	0.1755	1.1047	NM	0.1713	1.0936
CT	0.0987	0.9662	NY	0.1061	0.9579
DE	0.3788	1.3035	NC	0.1263	1.0665
DC	0.2066	0.8906	ND	0.1471	1.0699
FL	0.3121	1.3953	OH	0.1111	0.9501
GA	0.1012	0.9961	OK	0.0942	0.9609
HI	0.2908	1.1967	OR	0.1053	1.0884
ID	0.0702	0.9693	PA	0.0604	0.9061
IL	0.3293	1.2009	RI	0.0769	0.9175
IN	0.1017	1.1665	SC	0.1449	1.0728
IA	0.0607	0.9765	SD	0.1602	1.1180
KS	0.1405	1.0833	TN	0.1198	1.0524
KY	0.1008	0.9788	TX	0.2184	1.1424
LA	0.2794	1.5237	UT		
ME	0.2539	1.1733	VT	0.0226	1.1706
MD	0.0914	0.9701	VA	0.0677	0.9386
MA	0.1157	1.0142	WA	0.0817	1.0294
MI	0.1007	1.0067	WV		
MN	0.0618	0.9880	WI	0.1159	1.0018
MS	0.0788	1.1796	WY		0.9881

* Mean of States weighted by population age 16+

Phase-in estimation

DHS calculated the schedule of phase-in issuances by state 's' and year 'y' using the generalized forms in Figure 111. The phase-in period for each State was the lesser of their typical validity period or five years. The initial population for each State is their projected DL/ID holders in 2008. The lost/stolen rate is the national weighted average of 10.169 percent. These equations state that:

1) Total national phase-in issuances for a given year are equal to the sum of all States for that year;
2) Phase-ins for any given state and year are equal to the number of expiring DL/IDs being replaced with REAL IDs in that state in that year plus the number of lost/stolen DL/IDs being replaced with REAL IDs in that state for that year;
3) The number of expiring REAL IDs being replaced with REAL IDs in any given state and year is equal to:
    a. The number of people holding DL/IDs in that state in 2008 divided by the lesser of their typical validity period or five years—this assumes that in States

[125] DL/ID data from: AAMVA. First survey of 2006. Population data from: U.S. Census Bureau. Available at <http://www.census.gov/population/projections/DownldFile3.xls>. Accessed Feb 3, 2006.

with validity periods equal to or less than five years that DL/IDs are distributed evenly in the DL/ID's life-cycle or that in States with validity periods greater than five years people will plan on spreading themselves evenly over the phase-in period, possibly to avoid long lines at the end of the phase-in period, less;

b. The cumulative number of lost/stolen DL/IDs among the initial population divided by the phase-in period because some people will have already received a REAL ID when replacing a lost/stolen card in a previous year—for example, in a state with a four-year phase-in, one-fourth of the cumulative lost/stolen DL/ID holders would have had an ID expiring in year three—and thus should not be double counted;

4) The number of lost/stolen DL/IDs replaced with a REAL ID in a given state and year is equal to the number of previously issued DL/IDs at the end of the previous year less the number of expiring DL/IDs replaced with REAL IDs in the given year, all multiplied by the national lost/stolen rate—this prevents the double counting of DL/IDs that are lost/stolen after having already been replaced with REAL IDs;
5) The number of still-valid, previously issued DL/IDs in a given state and year is equal to the number of DL/ID holders in that state in 2008 less the cumulative number of DL/IDs replaced with REAL IDs, and;
6) If the predicted number of phase-ins would be grater than the number of still-valid, previously issued DL/IDs in a given state in a given year then the state can complete its phase-in period in that year by issuing REAL IDs to all of those who still hold a previously-issued DL/ID—this number may be less than the estimated phase-ins for the year due to the early replacement of lost/stolen DL/IDs and implies that the state could complete the phase-in process in less than 12 months of the state's final phase-in year.

Figure 111: Generalized forms for phase-in issuance

$$Total\ national\ \ phase-ins_{y} = \sum_{s}^{S} Phase-ins_{s,y}$$

$$Phase-ins_{s,y} = Expiration\ s_{s,y} + Lost\ /\ Stolen_{s,y}$$

$$Expiriations_{s,y} = \frac{\left(Initial\ \ population_{s} - \sum_{1}^{y-1} Lost\ /\ Stolen_{s,y} \right)}{Phase\text{–}in\ Period_{s}}$$

$$Lost\ /\ Stolen_{s,y} = \left(StillValid_{s,y-1} - Expirations_{s,y} \right) \times Lost\ /\ Stolen\ rate$$

$$StillValid_{s,y} = Initial\ \ population_{s} - \sum_{1}^{y-1} Phase\text{–}ins_{s,y}$$

$$IF \quad StillValid_{s,y-1} - Phase-ins_{s,y} < 0$$
$$THEN \quad Phase-ins_{s,y} = StillValid_{s,y-1}$$

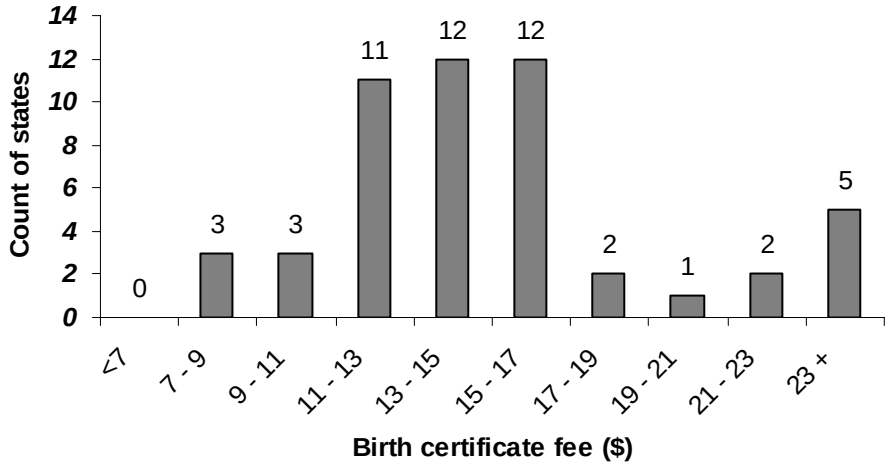
Appendix B: Acquiring source documents

Economic cost to acquire source documents

DHS has estimated the level of effort required for citizens to obtain the necessary source documents. DHS has assumed that lawfully present foreign-born non-citizens would have acceptable source documents readily available. Native born citizens, however, may have never received or do not have ready access to the documents proposed in the NPRM. (Note that all citizens, native or naturalized, are eligible for at least one of the documents on the proposed list.)

Obtaining a state-issued birth certificate requires less effort than any other REAL ID identity source document available to native-born citizens. (To compare the documents, see Figure 114.) The distribution of States by the fees charged for birth certificates is represented in Figure 112. The mean cost of state-issued birth certificates for all 51 States when weighted by population age 16+ is $15.81. (DHS was unable to determine the state of birth for people alive in 2005. The population of each state in 2005 should be a reasonable proxy for the demand on state vital statistics offices for certified copies of birth certificates. DHS invites comments and data on this issue.) See Figure 113 for other descriptive statistics.

Figure 112: Distribution of States by birth certificate fees[126]



[126] State vital statistics websites. Accessed Jun 6, 2006.

Figure 113: Birth certificate application fee statistics

Measure	Value
Count of sample	51
Mean (simple)	$ 14.08
Standard deviation	6.2677
Weighted mean	$ 15.81
Median	$ 12.00
Mode	$ 15.00
Low	$ 7.00
High	$ 42.50

Figure 114 shows the monetized estimated effort required to obtain birth certificates ($31.08), passports ($196.38), certificates of naturalization ($410.10) and social security cards ($46.61). Application fees are those paid to the issuing agency and/or any intermediary. "Other fees" covers postage for birth certificate applications sent by mail and photographs for passports. It also includes an estimated cost of travel to obtain the certificate of naturalization, which must be applied for in person at a USCIS office. (Most States have at least one USCIS office but some, like Wyoming and the Dakotas, do not.) For SSN card replacements, it also includes the cost to SSA to process the application, which is not passed to applicants. The preparation time is used to collect information, fill out and submit (e.g. SSA "interviews" for replacement cards) applications. Queuing time is that time spent in line in order to submit the application. (Most birth certificate applications can be filed via mail or online. The Department is aware that some people will choose to stand in-line but is unable to estimate the proportion of people who would do so. Accordingly, DHS requests that State Departments of Vital Records send data relating to this issue.) "Other time" includes travel time and time spent obtaining photographs for the application. DHS welcomes comments and data regarding the effort required to obtain source documents. Changing two of the assumptions—the proportion of people filing birth certificate applications in-person and the amount of time for photos and travel to obtain a passport—would further support the policy decisions made by the Department by increasing the cost of alternative options by at least as much as they would increase the cost of the chosen option.

Figure 114: Effort required to obtain source documents

Document	State-issued birth certificate, average		Notes:
Application fee	$	15.81	Weighted mean of fees reported on state websites.
Other fees	$	0.39	Postage
Fees required (subtotal)	**$**	**16.20**	
Preparation time (hrs)	0.56	(= 34 mins)	DHS estimate
Queuing time (hrs)	0.00		DHS assumes applicants will file via mail or online.
Other time (hrs)	0.00		
Total time (hrs)	0.56	(= 34 mins)	
Value of time ($/hr)	$	26.46	**
Opportunity cost (subtotal)	**$**	**14.88**	
Total cost to obtain document	**$**	**31.08**	
Document	**U.S. passport**		Notes:
Application fee	$	97.00	Department of State. Available at <http://travel.state.gov/passport/get/fees/fees_837.html>. Accessed May 5, 2006.
Other fees	$	20.00	DHS estimate of photo and other costs (travel, shipping, etc.).
Fees required (subtotal)	**$**	**117.00**	
Preparation time (hrs)	1.42	(= 85 mins)	OMB approval No. 1405-0004
Queuing time (hrs)	0.33	(= 20 mins)	DHS estimate.
Other time (hrs)	1.25	(= 75 mins)	DHS estimate (obtaining photo, travel time, etc.).
Total time (hrs)	3.00	(= 180 mins)	
Value of time ($/hr)	$	26.46	**
Opportunity cost (subtotal)	**$**	**79.38**	
Total cost to obtain document	**$**	**196.38**	
Document	**Certificate of Naturalization (replacement)**		Notes:
Application fee	$	220.00	USCIS. *G-1055 Fee Schedule.* Available at <http://www.uscis.gov/graphics/formsfee/forms/files/g-1055.pdf> Accessed May 5, 2006.
Other fees	$	60.00	DHS estimate (photo and transportation).
Fees required (subtotal)	**$**	**280.00**	
Preparation time (hrs)	0.92	(= 55 mins)	OMB approval No. 1615-0091
Queuing time (hrs)	0.50	(= 30 mins)	DHS estimate.
Other time (hrs)	3.50	(= 210 mins)	DHS estimate (photo and transportation).
Total time (hrs)	4.92	(= 295 mins)	
Value of time ($/hr)	$	26.46	**
Opportunity cost (subtotal)	**$**	**130.10**	
Total cost to obtain document	**$**	**410.10**	
Document	**Social security card**		Notes:
Application fee	$	-	
Other fees	$	25.00	This is SSA's cost to process the replacement application. It is not passed via fees to applicants.
Fees required (subtotal)	**$**	**25.00**	
Preparation time (hrs)	0.28	(= 17 mins)	
Queuing time (hrs)	0.53	(= 32 mins)	
Other time (hrs)		(= 0 mins)	
Total time (hrs)	0.82	(= 49 mins)	
Value of time ($/hr)	$	26.46	**
Opportunity cost (subtotal)	**$**	**21.61**	
Total cost to obtain document	**$**	**46.61**	

**Value of time estimates from: U.S. Bureau of Labor Statistics. Employer Cost for Employee Compensation available at <http://data.bls.gov/PDQ/outside.jsp?survey=cm>. Data series: Total compensation, All occupations, All Civilian [CMU1010000000000D,CMU1010000000000P (c)] 2005Q4. Accessed Apr 10, 2006. For further discussion, see the appendix: "Discussion of Opportunity Costs."

Identity source documents

To estimate the total number of native-born people that need to obtain identity source documents, DHS created estimates for the proportion of the population having at least one of the documents readily available (see Figure 115). Each estimate is for the group of people subject to all of the preceding assumptions. For example, of the native citizens without a U.S. Passport, 25 percent would not have a state-verifiable birth certificate. This would equal 17 percent of the REAL ID initial application population. Phase-in applicants would normally have simply renewed their DL/ID and, under the status quo, would have only needed their expiring DL/ID. Therefore, any phase-in applicant needing to obtain a birth certificate under the proposed rule would do so as a direct result of REAL ID. However, many of the growth applicants would have needed to acquire a birth certificate even under the status quo. Only those who would have used other documents (e.g. baptismal certificates, high school yearbooks, etc.) under the status quo would seek a birth certificate as a direct result of the proposed rule.

DHS considered two interpretations of what qualifies as an "acceptable" birth certificate. The first option is to allow birth certificates issued by state or local governments that are verifiable with the state vital records database. The second option is to accept only birth certificates that were issued by a state government. DHS has proposed the first option because more people have them readily available, they may be easier to obtain and accepting birth certificates issued by local governments does not degrade security because they are verified with the state government. (For further discussion, see the relevant section of the economic analysis.)

Figure 115: Percent of REAL ID population to seek a birth certificate

Of those remaining (sub-category exclusive of those above it)	Primary	Low	High	
All (REAL ID initial applicants)	100%	100%	100%	*A*
Native citizens[127]	88%	88%	88%	*B*
Without a U.S. Passport[128]	79%	76%	82%	*C*
Without state-verifiable birth certificate	25%	10%	40%	*D*
Would have used "other"/unacceptable documents	20%	10%	30%	*E*
Phase-ins needing birth certificate	**17%**	7%	29%	*=(A x B x C x D)*
Growth applicants needing birth certificate	**3%**	1%	9%	*=(A x B x C x D x E)*

DHS then calculated the number of applicants that would need to obtain a birth certificate. If the proposal to accept any state-verifiable birth certificate stands, 16.8 to 82.9 million, with a primary estimate of 47.0 million, people would need to seek a birth certificate. (See Figure 118.) (Break downs of phase-in and growth estimates are in Figure 116 and Figure 117, respectively.)

Figure 116: Birth certificate acquisition for phase-ins (thousands)

Year	Phase-ins	Primary (= 17%)	Low (= 7%)	High (= 29%)
1	-	-	-	-
2	68,150	11,907	4,565	19,671
3	52,114	9,105	3,491	15,042
4	49,950	8,727	3,346	14,418
5	42,480	7,422	2,845	12,262
6	20,055	3,504	1,343	5,789
7	-	-	-	-
8	-	-	-	-
9	-	-	-	-
10	-	-	-	-
Total	232,749	40,666	15,590	67,182

[127] In 2004, 12 percent of the population was foreign-born. U.S. Census Bureau. American Fact Finder. Available at <http://factfinder.census.gov/home/saff/main.html?_lang=en>. Accessed May 3, 2006.

[128] The primary estimate (79.42%) is the estimated percent of U.S. residents NOT holding a valid U.S. passports in 2005. The low estimate (76.12%) is the estimated percent U.S. residents age16+ NOT holding a valid U.S. passport in 2005. The high estimate (82%) is the commonly accepted percent of U.S. residents NOT holding a valid U.S. passport.

Figure 117: Birth certificate acquisitions for growth issuances (thousands)

Year	Issuances due to growth	Primary (= 3%)	Low (= 1%)	High (= 9%)
1	-	-	-	-
2	19,357	676	130	1,676
3	19,587	684	131	1,696
4	19,807	692	133	1,715
5	20,023	700	134	1,734
6	20,235	707	136	1,752
7	20,441	714	137	1,770
8	20,645	721	138	1,788
9	20,852	729	140	1,806
10	21,063	736	141	1,824
Total	182,009	6,360	1,219	15,761

Figure 118: Marginal applicants needing to acquire birth certificates (thousands)

Year	Primary	Low	High
1	-	-	-
2	12,583	4,695	21,347
3	9,790	3,622	16,739
4	9,419	3,478	16,133
5	8,122	2,980	13,996
6	4,211	1,479	7,541
7	714	137	1,770
8	721	138	1,788
9	729	140	1,806
10	736	141	1,824
Total	47,026	16,809	82,942

The Department anticipates that if the proposed regulation required state-*issued* as opposed to state-*verifiable* birth certificates, more DL/ID applicants would need to obtain a birth certificate. However, DHS does not have data indicating what percent of birth certificates currently held have been issued by county or other local governments. If county and other local-government issued birth certificates are verifiable with the state office of vital statistics, they would be acceptable under the proposed regulation. Under the alternative, they would not be acceptable and people holding this and no other acceptable identity source document would need to obtain a state-issued birth certificate. DHS seeks comments and data on this issue.

SSN replacement cards

The proposed regulation specifies the list of documents acceptable to document an applicant's SSN. In an effort to determine how many applicants would need to seek a replacement SSN card if no other documentation was allowed, the Department calculated the number of SSN cards issued per 1000 new DL/IDs issued by state and difficulty of providing evidence of SSN required by DMVs. The Department then modified that population to account for people who would be able to show either a W-2 or a pay stub containing their SSN.

A minority of States currently require applicants to bring their social security card as evidence of their SSN. The remaining States have widely varying practices regarding what documents are acceptable for this purpose. The list of acceptable SSN documentary evidence of some States requires a relatively higher level of effort on the part of applicants. Such "high effort" documents are either restricted to highly specific sub-sets of the general population (e.g. social security benefit forms, prison release papers, military IDs etc.) or are other government-certified forms (e.g. certified tax returns). Another set of States accepts a list of documents that requires relatively little effort by applicants. These "low effort" documents are typically available to most people age 16+ and often include the following provided that they show the holder's SSN: payroll documents (e.g. pay stubs, W-2's, etc.); uncertified tax returns; medical insurance cards; student records, etc. Finally, slightly more than half of State DMVs do not require any evidence of SSN. Some of these DMVs encourage applicants to bring their social security card but do not require they do so. Others only require that the number be provided on the application. While these States do not require documentary evidence of SSN, they do verify SSN with the SSA. Figure 119 presents the mean SSN cards issued ratio by category and the number of States in each.

Figure 119: SSN card issuance statistics[129] [130] [131]

State process	Mean SSN replacement cards issued per 1,000 new DL/IDs	States with complete data	Standard Deviation	States with the process
Card only	634.94	7	282.6971	8
High effort	904.51	8	656.8459	9
Low effort	487.75	8	323.0212	8
No evidence required	544.85	24	328.1599	26
All states	609.77	47	407.1790	51

DHS considered making all States behave like the seven States that require a SSN card for DL/ID applications. This would require applicants in States where that is not the case to replace their lost or stolen SSN cards. One way to estimate this is to determine the difference between SSN card replacement rates of the card only States and each of the other three categories. That difference should approximate change in the number of replacement cards issued before and after the implementation of such a requirement.

However, due in part to a small number of States that require the SSN card, the variance is too high to ensure a statistically significant difference between most of the means. (See Figure 120.) Indeed, there is no statistically significant difference at the $\alpha = .10$ level between the means of States whose DMV's require a SSN card and those who do not. Nor is there a statistically significant difference between the means of States who require some form of documentation and those who do not. However, if the "high effort" and "card only" States are grouped and are compared to the "low effort" and "no evidence" states, there is a statistically significant difference

[129] SSN card issuance data for FY2005 provided by the U.S. Social Security Administration directly to the U.S. Department of Homeland Security.
[130] New DL/ID issuance data from the first AAMVA survey of 2006.
[131] SSN evidence requirements obtained from State DMV websites. Accessed Jun 26, 2006.

between the means at the α =.10 level. The difference of replacement cards in a state before and after implementing REAL ID's SSN evidence requirement should be similar to the difference between the means of the two categories: 1) card only and high effort states, and; 2) low effort and no evidence states. The difference between those means is 248.1 issuances per 1,000 new DL/IDs.

Figure 120: Difference between SSN card issuance rates

DMV SSN evidence	Mean SSN replacement card rate	Standard deviation	Count	P-value (one sided)*	F-test (two sided)	Difference between rates
SSN cards only	634.94	282.70	7	0.40961	0.30004	—
(other than SSN card only)	605.36	427.93	40			
Card only and high effort	778.71	518.99	15	0.05225	0.02697	248.14
Low effort and no evidence	530.58	322.63	32			
Some evidence required	677.51	474.01	23	0.13668	0.08661	—
No evidence required	544.85	328.16	24			

*Assumes unequal variance if the F-test < 0.90.

Subtracting the mean of "low effort" and "no evidence" States from the mean of "card only" and "high effort" States (see Figure 120) produces the estimated number of initial DL/ID applicants per 1,000 that would need to obtain a replacement SSN card if SSN cards were the only acceptable evidence of SSN. DHS multiplied this ratio by the sum of people in "low effort" and "no evidence" States to estimate that 56.9 million people without ready access to their SSN card and are living in States with "low effort" or "no evidence" jurisdictions. Each of these people would need a replacement SSN card due to the proposed REAL ID rule if SSN cards were the only acceptable SSN documentation. (See Figure 121.)

Figure 121: Applicants seeking SSN replacement cards

Year	Initial applications in state with "low" effort (thousands)	Difference in SSN card issuance rate (low vs. high effort)	Total people without SSN card (thousands)	Total without card or W-2, thousands (without W2 =34%)
1	-	248.14	-	-
2	40,040	248.14	9,935	3,378
3	34,733	248.14	8,618	2,930
4	36,725	248.14	9,113	3,098
5	35,565	248.14	8,825	3,001
6	25,788	248.14	6,399	2,176
7	13,849	248.14	3,436	1,168
8	14,007	248.14	3,476	1,182
9	14,168	248.14	3,516	1,195
10	14,332	248.14	3,556	1,209
Total			56,874	19,337

DHS is proposing to allow a W-2 or a pay stub as alternate evidence of SSN. Adjusting the estimate of people without SSN cards in these states by those who have ready access to a W-2

or a pay stub containing their SSN yields an estimate of how many DL/ID applicants would need to obtain a replacement SSN card under the DHS proposal. From the period of November 2003 through November 2004, labor force participation rates ranged from 65.9 to 66.2 percent.[132] Each person participating in the labor force should have access to a pay stub and/or a W-2. (DHS recognizes that many employers do not include SSN on the pay stub as a measure to protect personal information. However, all W-2 forms contain the employees SSN.) If the working and non-working populations would have access to their SSN cards at the same rate, then approximately 19 million people live in a "low effort" or "no evidence" state and would have neither a W-2 from the most recent calendar year nor a SSN card.

DHS has two reservations about using this methodology to estimate SSN card replacements. First, there may be basic differences between the populations being compared. Those who worked and those whose did not work may not have the same likelihood of having access to their SSN card (e.g. SSN cards may be used for employment eligibility on the I-9 form whereas a non-worker may not have needed to replace a lost/stolen card). Further, while similar, the resident population age 16+ is not the same as the DL/ID population. This analysis assumes that labor participation rates in the DL/ID population are the same as those in the resident population age 16+. Second, the proposed regulation implicitly acknowledges that some people may have worked at some point in their life, but not in the previous year; it does not require the W-2 be from the most recent tax year. Accordingly, the lifetime labor participation rate is higher than the rate for any one given year. This analysis only considers those who held employment in the most recent tax year. The Department welcomes comments and data regarding these issues.

[132] U.S. Bureau of Economic Analysis. *Table D.1 Domestic Perspectives*. Jan 2005. Available at <http://www.bea.gov/bea/ARTICLES/2005/01January/D-Pages/0105DpgD.pdf>. Accessed Oct 11, 2006.

Appendix C : Current Verifications

SAVE

In 2005, DMVs ran 1.12 million initial SAVE verifications. (See Figure 122.) The weighted average of verifications as a percent of issuances was 0.24 percent for States that verified some, but not all, aliens for the entire year and 5.60 percent for States that verified all aliens for the entire year.

Most States use SAVE to verify questionable documents and applications. The limited use of SAVE in these situations is evidenced by the SAVE verifications as a percent of DL/IDs issued. The range of percents is well below the 2000 US Census estimate of foreign-born people as a percent of the total population. Their range of SAVE verifications as a percent of DL/ID issuances is also well below the US Census estimate of foreign-born people as a percent of the total population.

Figure 122: Total DMV SAVE usage in 2005[133] [134]

Category	Number of initial verifications	SAVE verifications as percent of issuances		
		Weighted mean	Low	High
States verifying all aliens' status	1,070,224	5.60%	1.42%	6.74%
States verifying some aliens for the entire year	34,632	0.24%	0.13%	0.35%
States not using SAVE for the entire year	18,051			
Total SAVE verifications	**1,122,907**	**1.365%**		
Foreign-born citizens as percent of total population (2004)				12.00%

Closer examination of States using SAVE to verify all foreign-born applicants' lawful status also shows high variance. Figure 123 shows the wide range in the ratio of verification percentages in such states. This indicates that foreign-born people do not consistently apply for DL/IDs at the same rate as native people. (The ratio may correspond to the nature of the transportation infrastructure within a state, as well as population densities. Note that Wyoming's ratio is considerably higher than California's ratio.)

[133] Verification data from USCIS-SAVE program office.
[134] Foreign-born data from U.S. Census Bureau. American Fact Finder. Data for 2004. Available at <http://factfinder.census.gov/home/saff/main.html?_lang=en>. Accessed May 3, 2006.

Figure 123: Ratio of initial SAVE verifications to foreign-born population, select States

State	Initial verifications as % of issuances (2005) [135]	Foreign-born as % of state population (2004) [136]	Ratio of verifications % to foreign-born %
California	6.23%	26.78%	0.233
Florida	6.74%	17.92%	0.376
Maryland	1.42%	10.98%	0.130
Indiana	2.07%	3.92%	0.529
Wyoming	2.08%	2.95%	0.705
Mean			0.394
Variance			0.0527
Standard deviation			0.2296
Weighted mean			**5.60%**

The SAVE program office reports that, historically, 20 percent of all initial verifications require a secondary verification. However, their program data specific to DMV usage indicates that 14.2 percent of initial verifications run by DMVs require the secondary verification. (See Figure 124.) The State is not charged a fee if it sends the information for the secondary verification by mail or fax. If it sends the information electronically, SAVE assesses a fee of $0.48. SAVE also reports that it costs, on average, $6 to $7 for them to process the secondary verification. This cost is not passed to users.

Figure 124: Secondary SAVE verification data[137]

Item	Data
Rate of secondary verifications, overall historic	20%
Rate of secondary verifications, States verifying all aliens in 2005	14.2%
Manual transmission charge	None
Automated transmission charge	$0.48
Average labor cost to SAVE per verification	$6 - 7

SSOLV

Currently, 39 of the responding 44 states, accounting for 92.66 percent of the responding state DL/ID population, verify social security numbers with the Social Security Administration. (See Figure 125.) Of these states, 25 only use the real-time method of verification and the 14 remaining States use a combination of real-time and batch or batch only methods.

[135] Verification data from USCIS-SAVE program office.
[136] Foreign-born data from U.S. Census Bureau. American Fact Finder. Data for 2004. Available at <http://factfinder.census.gov/home/saff/main.html?_lang=en>. Accessed May 3, 2006.
[137] Meeting with USCIS-SAVE Program Office. DHS headquarters. Washington, DC. Apr 27, 2006.

Figure 125: SSOLV current usage data[138]

Category	Number of states	Percent	Weight
Verifies SSN	39	92.66%	Existing DL/IDs
Does not verify SSN	5	7.34%	Existing DL/IDs
Uses batch method *	14	59.26%	DL/IDs in States specifying method
Only uses real-time method *	25	45.74%	DL/IDs in States specifying method
No response	7		
% of verifications needing resolution, low	1	3%	None
% of verifications needing resolution, high	1	5%	None

* Some States use both batch and real-time methods

[138] Data from AAMVA. First survey of 2006.

Appendix D : Hourly Cost of Compensation

DHS used base wages and benefits as the value of time to estimate the cost of the proposed rule. This is the case whether the individual is "on the clock" (e.g. employee training) or must spend their own personal time to complete tasks (e.g. obtaining source documents). (See **Appendix E** for a discussion on valuing time for individual opportunity costs.) All hourly rates and indices are provided by the U.S. Bureau of Labor Statistics (BLS), unless otherwise noted. In some cases, BLS provides employers' total cost of compensation for occupations that DHS believes are roughly equivalent to those in the analysis. Figure 126 provides those occupations and rates.

Figure 126: BLS provided cost of compensation

Employee	Total cost of compensation	Wages and salaries	Period	Series	Source
DMV counter agents and DMV clerical staff	$ 24.92	$ 15.60	2005Q4	Office and administrative support occupations, State and local government [CMU3010000220000D, CMU3010000220000P]	U.S. Bureau of Labor Statistics. Employer Cost for Employee Compensation available at <http://data.bls.gov/PDQ/outside.jsp?survey=cm>. Accessed Apr 11, 2006.
DMV managers	$ 44.51	$ 31.69	2005Q4	Management, professional, and related occupations State and local government [CMU3010000100000D, CMU3010000100000P].	U.S. Bureau of Labor Statistics. Employer Cost for Employee Compensation available at <http://data.bls.gov/PDQ/outside.jsp?survey=cm>. Accessed Apr 11, 2006.
All workers	$ 26.46	$ 18.59	2005Q4	All occupations, All Civilian [CMU1010000000000D, CMU1010000000000P (c)]	U.S. Bureau of Labor Statistics. Employer Cost for Employee Compensation available at <http://data.bls.gov/PDQ/outside.jsp?survey=cm>. Accessed Apr 12, 2006.

In other instances, the Employer Cost for Employee Compensation tables do not provide the desired granularity. In those cases, DHS computed the fully loaded wage by multiplying the simple hourly wage by the fringe multiplier and inflated according to the employment cost index (ECI). Figure 127 shows those calculations.

Figure 127: Calculated fully loaded wage rates

Occupation	Simple wage	Fringe multiplier	ECI multiplier	Wages and benefits
Airline ticket counter agent	$ 16.02	1.380	1.038	$ 22.95
Airport checkpoint staff	$ 15.22	1.423	1.039	$ 22.50
Attorney	$ 46.83	1.391	1.045	$ 68.07
Technical DL/ID expert	$ 28.85	1.391	1.000	$ 40.13
FPS agent	$ 10.91	1.423	1.039	$ 16.13

BLS reports the average wage rates shown in Figure 128. DHS was unable to determine a specific standard occupational classification (SOC) number for technical experts working for State DMVs. DHS based its annual hourly estimate for these workers upon an estimated annual salary.

Figure 128: Simple (unloaded) hourly wage rates[139]

	Airline counter agent	Airport checkpoint staff	State attorneys	Technical DL/ID expert
Series:	Scheduled air service ticket agents	Protective service occupations	Lawyers	*
Source:	U.S. Bureau of Labor Statistics	U.S. Bureau of Labor Statistics	U.S. Bureau of Labor Statistics	*
SOC:	43-4181	33-9099	23-1011	*
Year:	2004	2004	2004	2006
Period:	Nov	Nov	Nov	Mar
Measure:	Mean	Mean	Median	*
Simple wage:	$16.02	$15.22	$46.83	$28.85

* Based on an estimated $60,000 annual salary.

Figure 129 shows the fringe multiplier and the fully loaded and simple wage rates of occupations that DHS believes are analogous to those in Figure 127 above.

Figure 129: Fringe multiplier calculation

Real ID occupation analogue:	Airline ticket counter agent	Airport checkpoint staff and FPS agents	Attorney and DL/ID technical expert	Office and administrative support, state and local government
Source:	BLS Employer Cost for Employee Compensation	BLS Employer Cost for Employee Compensation	BLS Employer Cost for Employee Compensation	BLS Employer Cost for Employee Compensation
Series ID:	CMU2010000200000D, CMU2010000200000P	CMU1010000000000D, CMU1010000000000P (c)	CMU3010000120000D, CMU3010000120000P	CMU3010000220000D, CMU3010000220000P
Compensation component:	Total compensation	Total compensation	Total compensation	Total compensation
Employer/Employee Characteristics:	Sales and office occupations	All occupations	Professional and related occupations	Office and administrative support occupations
Sector:	Private industry	All civilian	State and local government	State and local government
Year:	2005	2005	2005	2005
Period:	QTR 4	QTR 4	QTR 4	QTR 4
Cost of compensation (per hour worked):	$ 19.61	$ 26.46	$ 44.32	$ 24.92
Percent of total compensation:	100%	100%	100%	100%
Source:	BLS Employer Cost for Employee Compensation	BLS Employer Cost for Employee Compensation	BLS Employer Cost for Employee Compensation	BLS Employer Cost for Employee Compensation
Series ID:	CMU2020000200000D, CMU2020000200000P	CMU1020000000000D, CMU1020000000000P (C)	CMU3020000120000D, CMU3020000120000P	CMU3020000220000D, CMU3020000220000P
Compensation component:	Wages and salaries	Wages and salaries	Wages and salaries	Wages and salaries
Employer/Employee Characteristics:	Sales and office occupations	All occupations	Professional and related occupations	Office and administrative support occupations
Sector:	Private industry	All civilian	State and local government	State and local government
Year:	2005	2005	2005	2005
Period:	QTR 4	QTR 4	QTR 4	QTR 4
Cost of compensation (per hour worked):	$ 14.21	$ 18.59	$ 31.87	$ 15.60
Percent of total compensation:	72.5%	70.2%	71.9%	62.6%
Fringe multiplier:	**1.380**	**1.423**	**1.391**	**1.597**

[139] U.S. Bureau of Labor Statistics. *November 2004 National Occupational Employment and Wage Estimates*. Available at: <http://www.bls.gov/oes/current/oes_nat.htm>. Accessed May 11, 2006.

Figure 130 calculates the percent increase in the simple wage from January, 2005 to March, 2006. This is used in Figure 127 above to inflate the November, 2004 simple wages to 2006 dollars.

Figure 130: Employment Cost Index

	Office and administrative support				All civilian			
	Private industry		All civilian		All workers		Professional and related	
Change period (months):	12	3	12	3	12	3	12	3
Ending	Dec-05	Mar-06	Dec-05	Mar-06	Dec-05	Mar-06	Dec-05	Mar-06
Percent change:	2.9%	0.9%	3.0%	0.9%	3.1%	0.8%	3.8%	0.7%
Calculated 15 month change:	3.83%		3.93%		3.92%		4.53%	

Appendix E: Discussion of Opportunity Costs

The concept of "opportunity cost" is a fundamental concept in modern economics and serves as an important measure of the value of goods, services and other economic concepts for consumers. The opportunity cost of a good or service is the next best alternative that is foregone when the chosen good or service is acquired or consumed. This concept can be applied broadly to other consumer activities, such as the use of another scarce resource, time. DHS continues research on opportunity cost and may revise the methodology in the final rule. DHS is very interested in receiving comments about recent research on the value of time and how surveys on the willingness to pay for security might be considered in selecting an appropriate economic opportunity cost value.

Modern conceptions of the value of time are often traced back to a seminal 1965 paper by future Nobel laureate economist Gary Becker, *A Theory of the Allocation of Time.* In this paper, Becker postulates that for individuals and households, time is often an essential input, along with specific consumer goods, for activities that are fundamental to human satisfaction, such as sleep or leisure activities. In addition, to acquire the real resources that make these satisfying activities possible, consumers and households must also allocate time to productive activities that result in income or other sources of value that can be used to obtain other desired goods. Becker then goes on to characterize the use and value of time by individuals in such activities as leisure and travel. Because such time is spent enjoyably but not "productively" in the sense that no income is obtained, at the margin the value of a unit of time is the amount that using that time productively could earn – the individual's wage rate.

Subsequent work in economic analysis and policy analysis has extended these insights toward specific applications in the valuation of leisure activities at state parks and other public facilities, the valuation of travel infrastructure improvements that allow travelers to complete journeys more rapidly and efficiently, and the valuation of time delays and expenditures that are imposed on travelers or others by transportation system inefficiencies or other travel related obligations, such as waiting in line. While these benefits and costs for leisure seekers and travelers can be measured using national or regional average wage rates, in many cases analysts are also interested in understanding how variability in wage rates and in time valuation affect the benefits and costs that may be associated with changes in travel or transportation system characteristics.

A. INTRODUCTION

A fundamental concept in modern economics, especially the theory of consumer choice, is the notion of "opportunity cost." For any good or service that may be acquired by a consumer, its opportunity cost is the next best alternative that is foregone. While a consumer certainly gives up money to purchase a good or service, the consumer also gives up the opportunity to spend those resources to acquire some other affordable good or service – the good or service most valued by not acquired can be viewed as the opportunity cost of the chosen purchase.

Similar reasoning can be applied to analyze the choices made when people allocate another scarce resource – time – to alternate uses. People will always have to allocate some portions of their time to productive or remunerative activities and to necessary biological functions like sleep. However, individuals also have some discretion about the ways in which these requirements and the pleasures of discretionary time are allocated. In this setting, the concept of opportunity cost is also a fitting tool for characterizing the individual's choice between alternative uses of available time.

The objective of this paper is to clarify and provide some background for the treatment of the opportunity cost of time in analyses of the transportation industry. In the transportation industry, time actually devoted to traveling is one of the larger costs faced by a traveler. Because of this, travel time savings can provide significant benefits. For this reason, much emphasis is placed on methodologies for calculating the value of passenger time. In these analyses, the opportunity cost of time spent traveling is based on the forgone possibility of spending time at work or leisure. Because the time spent traveling is affected by possible unpleasant conditions of travel such as waiting, crowding, lack of comfort and delay, there are a variety of ways in which changes to travel circumstances can be analyzed using the opportunity cost of time approach. Some of the variables that affect the value of passenger time are the mode of transportation, purpose of transportation (work or personal), travelers' income and distance traveled. Consideration of these and other variables affecting value of travel time calculations, as well as the methodological background for opportunity cost analyses of time allocations, are presented in the following sections.

The motivation behind this literature review and methodological recommendation is TSA's need to have a reliable foundation for its treatment of the opportunity costs of time expenditure, since many of its regulations lead to modest but real time requirements for sizeable numbers of individuals. These time impositions may take the form of applications or data collection necessary to complete newly required documents or registration, or may involve waiting or delay that is incurred in the course of transportation security screening or monitoring. To accurately model and account for these types of costs that are imposed on individuals, it is necessary to use average values for time or opportunity costs and measures of the variability of such costs across individuals. Advances in processing software and data reporting have made consideration of opportunity cost variability more manageable and hence more easily documented for decision makers. These new data reporting and analysis possibilities only increase the importance of a solid basis for calculations and analysis that includes time opportunity costs considerations.

B. LITERATURE REVIEW

1. "A Theory of the Allocation of Time" by Gary S. Becker[140]

One of the most influential early works addressing the value of time in consumer decision problems is the Nobel laureate Gary Becker's 1965[141] study, "A Theory of the Allocation of Time". Becker attempts to develop a general treatment of the allocation of time in non-work related activities. The author's starting point is the then traditional theory in which a household's utility is a function of goods purchased on the market and is subject to a resource constraint (income). Becker's innovation is to incorporate non-working time into this framework by assuming that households combine time and market goods to produce more basic commodities that are also part of the household's utility function. One such commodity, for example, is sleeping where inputs are a house, a bed, and time, while another might be a leisure activity such as exercise, which requires a commitment of time and access to necessary equipment. These commodities (Z_i) can be symbolized as:

$$Z_i = f_i\,(x_i, T_i) \quad [1]$$

where x_i is a vector of market goods and T_i a vector of time inputs used in producing the ith commodity Z_i.

"In this formulation households are both producing units and utility maximizers. They combine time and market goods via the "production functions" f_i to produce the basic commodities Z_i and they choose the best combination of these commodities in the conventional way by maximizing a utility function

$$U = U(Z_i, \ldots Z_m) \equiv U(f_1,\ldots f_m) \equiv U(x_1,\ldots x_m;\, T_1,\ldots T_m) \quad [2]$$

subject to a budget constraint

$$g(Z_i,\ldots Z_m) = Z \; [3]$$

where g is an expenditure function of Z_i and Z is the bound on resources."[142] Assuming that the utility function above is maximized subject to separate constraints on the expenditure of market goods and time, and to the production function [1], the goods constraint is subject to constraints on time as well as income. It is recognized that time can be converted into goods by using less time at consumption and more at work, and in this setting the full price of any item is the sum of the prices of the goods and the time used per unit.

To make this point more apparent, Becker introduces the concept of *full income*, a sum of money income and income forgone by the use of time and goods to obtain utility. The total marginal cost of a commodity is the sum of the marginal cost of using goods in producing the commodity and the marginal cost of using time. The rest of Becker's paper develops implications of this theory, with a section dedicated to transportation.

This method for estimating the value of time in transportation related analyses is important because in most transportation settings, such as changes in transportation mode, the value of time-savings has tended to surpass other benefits. In these analyses, Becker notes that the

[140] Gary S. Becker. "A Theory of the Allocation of Time". The Economic Journal, Vol. 75, No. 299 (Sep., 1965).
[141] Gary S. Becker. "A Theory of the Allocation of Time". The Economic Journal, Vol. 75, No. 299 (Sep., 1965) , pp. 493-517
[142] Gary S. Becker. "A Theory of the Allocation of Time". The Economic Journal, Vol. 75, No. 299 (Sep., 1965) , pp.495-496.

methodology for determining value of time varies from the simple assumption that the value of an hour equals average hourly earnings to more complex considerations of the distinction between standard and overtime hours, the internal and external margins, etc.

One way Becker uses to tackle the value of time problem in transportation is to compare the ratio of the number of persons traveling by airplane to those traveling by slower mediums. More people tend to use faster mediums for longer distances (presumably due to greater importance of the savings in time) so marginal value of time could be estimated from the relation between medium and distance traveled. The length and mode of commuting to work is another extensively studied area of transportation. It is usually assumed that the direct commuting costs (train fare, for example) vary positively while living costs (space) vary negatively with the distance commuted. Therefore, a rise in income would cause a longer commute if space is a superior good. However, a rise in income resulting at least partially from the rise in earnings would increase the cost of commuting a certain distance because the opportunity cost of time would increase. "This increase in commuting costs would discourage commuting in the same way that the increased demand for space would encourage it. The outcome depends on the relative strengths of these conflicting forces: one can show with a few assumptions that the distance commuted would increase as income increased if, and only if, space had an income elasticity greater than unity."[143]

In conclusion, Becker states that forgone earnings (primarily determined by the use of time) are important and that full income is substantially above money income and therefore, more attention should be paid to the efficiency and allocation of the use of time. In later years, the transportation-related applications of Becker's insights into the role of time in human choice behavior has included both the value of time as a factor in household transportation choices and the effective benefits or costs to passengers of changes, positive and negative, respectively, to the total time commitment required by specific transportation choices.

[143] Gary S. Becker. "A Theory of the Allocation of Time". The Economic Journal, Vol. 75, No. 299 (Sep., 1965) , pp. 511.

2. "Time is Money: a Re-Assessment of the Passenger Social Savings from Victoria British Railways" by Timothy Leunig[144]

A recent study by Leunig (2005) estimates passenger railway social savings for England and Wales. Though the study does not focus on time saved in aviation it is still useful because it provides a clear application of a methodology for valuing time saved. In this study, it is assumed that the value of time saved during work hours equals the gross wage rate plus overhead costs. The author argues that the wages used should depend on the type of transport used and he differentiates between premium class travelers (first and second class travel) and third class travelers. Third class travelers are assumed to be typical members of the working class making standard working class wages while the premium class travelers were assumed to be more affluent.

Leunig also addresses the difference in value for time savings of people traveling during work time and people traveling during personal time. The author concludes that "those traveling on business should have their time proxied by wage costs, whereas those who were traveling on their own time should have their time valued at 46% of their take home wages if the time saved would otherwise have been spent in a train or carriage, and at 92% of wages if the time saved would otherwise have been spent walking."[145] The value of 46 percent is a standard value recommended by British Department of Transport in 2004.

3. "The Economic Value of Hiking: Further Considerations of Opportunity Cost of Time in Recreational Demand Models" by James F. Casey, Tomislav Vukina and Lean E. Danielson[146]

Another approach to valuing time is to take into consideration the benefits of spending it in a recreational activity. In "The Economic Value of Hiking: Further Considerations of Opportunity Cost of Time in Recreational Demand Models", Casey et al. (1995) compare the contingent valuation method of valuing opportunity cost of time and a standard travel cost method based on a percentage of wage-rate. Central to their approach is the inclusion of a contingent valuation type question about hiker's willingness to accept compensation to forgo a precisely defined recreational experience. The data needed for contingent valuation is collected through a survey that includes the following question: "*If someone offered you an opportunity to work overtime instead of visiting Grandfather Mountain, at what hourly rate would they have to pay you for you to accept the offer?*"

The study area for the contingent valuation is Grandfather Mountain Wilderness Preserve (GMWP), a thirty-mile network of alpine hiking trails. Names and addresses of GMWP visitors (from October 1993 through June 1994) were obtained from hiking permits and then a survey was mailed to 453 households. Of these, only 42 surveys were returned completed and usable. "For

[144] Leunig, T. (2005). Time is money: a re-assessment of the passenger social savings from Victoria British Railways [online]. London: LSE Research Online. Available at : http://eprints.lse.ac.uk/archive/00000537
[145] Ibid p.30
[146] James F. Casey, Tomislav Vukina and Lean E. Danielson. "The Economic Value of Hiking: Further Considerations of Opportunity Cost of Time in Recreational Demand Models" Journal of Agricultural and Applied Economics 27 (2), December, 1995: 658-668

the group of single purpose visitors the average revealed value of individual hiker's time was $46.83 an hour, while the average calculated wage rate equals $26.27 an hour".[147] The study proceeds to compare the results of a standard wage rate model to those of the revealed value of time model. "The estimated results seem to suggest that the demand for recreation (hiking trips) is more appropriately specified by using a contingent valuation type of question for the value of time variable than by using the more traditional hourly earnings. Model 2 (revealed value of time) outperforms Model 1 (wage rate) in terms of higher adjusted R^2, and the revealed value of time variable is more significant than the wage earnings variable".[148]

The estimation results of the two models were used to calculate the aggregate consumer surplus derived by all participating hikers for the observed time period (1,700 hiker permits were sold for 1993-1994, each permit was used by hiking groups that on average included 2.6 single purpose individuals). Thus estimated consumer surplus based on the two different value of time measurements vary significantly: $5,332,730 for the wage cost model and $12,786,176 for the revealed value of time cost model, illustrating the importance (and difficulty) of finding the most suitable methodology for measuring the opportunity cost of time.

4. "Searching for the Opportunity Cost of an Individual's Time" by W. Douglass Shaw[149]

W. Douglass Shaw (1992) study, "Searching for the Opportunity Cost of an Individual's Time", addresses why a method for estimating the value of time that is based on the wage-rate may be flawed for leisure or recreational activities. The wage-based model, as we already know, assumes that the value of individual's leisure time can be measured based on that individual's market wage. This would imply that an individual earning very low market wage puts very low value on leisure time. In actuality, a low wage earner may have a low opportunity cost of time not a low value of time. Further, individuals with low or nonexistent market wage may be unemployed by choice (retired, students, etc.), employed in non-market work, or involuntarily unemployed and each situation may differently affect the opportunity cost of these individuals.

Though it is often ignored in economic literature, the timing of the decision to allocate time may affect the relevant value of time in an activity because individuals may allocate time differently at different times of the year, week, etc. Also, the time spent in an activity may yield consumer surplus at a particular moment (for example, for an individual on a fishing trip, a surplus may occur at the moment he/she catches the "big fish" but this may occur hours after fishing started).

Shaw questions the use of wage rate as a valid measure of the opportunity cost of time because individuals not earning an observable wage rate may have opportunity cost of time considerably higher than some market wage: "Far from having a low opportunity cost of time, unemployed individuals may have much higher time values than employed individuals".[150] Shaw refers to two papers in the recreation demand literature that incorporate separate time constraints

[147] Ibid p.662.
[148] Ibid p.662.
[149] W. Douglass Shaw. "Searching for the Opportunity Cost of an Individual's Time", Land Economics. February 1992: p.107-115.
[150] Ibid, p.111

for different activities. Separate time constraints are incorporated in order to account for institutional obstacles in scheduling activities. For example, most jobs are only offered on a full-time basic conventional work week basis (Monday-Friday) and separate time constraint methods allows "estimation of the opportunity cost of time for those that are at corner solutions, with implications that these opportunity costs of time are much higher than the average wage rate of those in their sample who were employed".[151]

Shaw ends his paper with several suggestions for more accurately assessing the time costs for the individual:

a. Assumptions made in a model of consumer behavior should reflect the nature of activity being modeled in order to avoid incorrect assignments of time costs to individuals. For example, outdoor activities differ significantly so deciding what arguments to include in the individuals' utility or production function should also differ accordingly. For example, the intensity of doing a very difficult climb, as opposed to the number of climbs completed, may be the preferred argument in the utility function of a rock climber.

b. Surveys designed to collect empirical data may elicit answers to questions about unemployment status that would prove more useful at estimating individuals' opportunity cost of time. For example, if an individual is unemployed, questions about household (not just individual) income could be used in estimating that individual's opportunity cost of time. Also, asking an unemployed individual about what would he/she choose to do instead of the activity in question could be useful: if an individual would choose to be home gardening, for example, than the going wage of a gardener could be used as the opportunity cost of time.

c. Survey questions could directly ask the individuals completing the survey to state their opportunity cost of time (as was done in previously described study by Casey et al. (1995)). "Questions might include what an individual would pay (WTP) to engage in the activity in question for another hour or alternatively, individuals could be asked how much they would need to be compensated (WTA) if they were doing their next best alternative activity, instead of the activity in which they are engaged".[152] It is imperative that survey questions be formulated in a way that would minimize or eliminate bias.

d. Multiple constraint solutions should be attempted making sure that activities are carefully defined so that costs of time in an activity do not become arbitrary.

e. When other means are not possible, some sensitivity analysis calculations of the consumer surplus should be conducted. The opportunity cost of time could be a range from a fraction of the wage rate to two or three times the wage rate (some individuals participating in a leisure activity have given up the opportunity to earn double overtime in their market job). Others may prefer to engage in non-

[151] Ibid, p.112
[152] Ibid, p.113

market work (lawn care, housecleaning, child care, etc.) and the value of this time might be proxied by cost of hiring someone else to do this work.

f. Finally, it might be useful to try to better understand the timing of the decision process and the stability of the opportunity cost over time. This could be accomplished by observing the choice of activities in the daily schedule and the timing of recreation time as compared to other activities in the schedule.

5. "Valuing Time in Travel Cost Demand Analysis: An Empirical Investigation" by John R. McKean, Donn M. Johnson, and Richard G. Walsh[153]

Empirical valuation of the opportunity cost of time is necessary for better understanding of time allocation among recreation alternatives and/or other activities. Given labor market disequilibrium or certain institutional considerations, time allocation may be more important than time pricing. Economic models often use income rates as a measure of the value of time but people who substitute time for money income at the margin are usually a very small part of the populations. Many workers are not allowed this substitution due to the work contracts and others (like retirees, students and unemployed) are also not exchanging time for income at the margin. The authors of this study use a sample of anglers to contrast a model, which allows some anglers to be in a labor market disequilibrium, with a model which assumes all anglers to be in a labor market equilibrium.

The authors begin with an analysis of previous works by McConnell and Strand (1981, 1983)[154] which assume labor market equilibrium. McConnell and Strand specify number of trips as a function of price:

$r = f[c + (\alpha)\ (1-t)g\ '(w)]$

where r is yearly trips, c is out-of-pocket costs per trip, α is travel time per trip, and $(1-t)g'(w)$ is the after tax marginal income forgone per unit of time. Marginal foregone income ($g'(w)$) is replaced with average income per hour (I) and the equation above is estimated with separate coefficients for out-of-pocket and forgone income time costs:

$r = \mu_0 + \mu_1 c + \mu_2 (\alpha)(1-t)I$

The ratio of μ_2/μ_1 is an estimate of the fraction of income that is foregone while traveling to the site. McConnell and Strand conclude that the opportunity cost of time (for their sample of individuals fishing in the Chesapeake Bay region in 1978) is 61.2 percent of hourly income.

McConnell and Strand (M-S) assume that opportunity value of time is positively related to income and that substitution between work and leisure is unrestricted. However, only earned income should be used when measuring opportunity cost of time. This means that for some people traveling during the weekends or paid vacations income forgone is overstated, while for

[153] McKean, J.R., Johnson, D.M., Walsh, R.G, February 1995. ""Valuing Time in Travel Cost Demand Analysis: An Empirical Investigation", Land Economics 71 (1): 96-105.

[154] McConell, K.E., and I. Strand, 1981. "Measuring the Cost of Time in Recreational Demand Analysis: An Application to Sportfishing." American Journal of Agricultural Economics 63 (1):153-56.
_____.1983. "Measuring the Cost of Time in Recreational Demand Analysis: Reply." American Journal of Agricultural Economics 65 (1):172-74.

others who are required to work more than desired in order to keep their job, the earned income rate understates their opportunity cost of time. Ward (1983, 1989)[155] modifies the M-S assumptions by eliminating the tie of opportunity cost of time to income but retaining the assumption that marginal effects of monetary and opportunity time costs are equal. Ward's work implies that opportunity time cost is independent of travel time per trip.

A study by Bockstael, Strand and Hanemann (B-S-H) (1987)[156] found that money/time tradeoff for individuals with fixed work hours is $60/hour compared to $17/hour for individuals with flexible hours meaning that disequilibrium in labor market may render wage rates ineffective in measuring the opportunity cost of time. The B-S-H model abandons McConell and Strand's link between opportunity time cost and income and shows that, for individuals who can't marginally substitute work for leisure, the time and money constraints cannot be collapsed into one. Money and time costs are thus treated as separate time price variables.

McKean, Johnson, and Walsh (M-J-W) build on the previously described models and use the B-S-H formulation for individuals with a corner solution in the labor market and a conventional formulation for individuals that can easily substitute time and income. Their data was collected through a personal interview survey conducted in Blue Mesa reservoir in Colorado. The survey produced a sample of 200 usable responses. Survey questions were formulated in a way that allowed categorization of individuals as "able or not able to substitute earned income for time". By applying Ward's technique, M-J-W estimate that the opportunity time cost for visitors to Blue Mesa is $11.54/hour. However, if the McConell - Strand methodology is applied to the 200 observations, the opportunity cost of time is 46.1% of income, or $7.47/hour.

Assuming that the opportunity cost of time is constant with respect to travel time per trip is a another potential problem in estimating the opportunity cost of time. The M-S and Ward methods both assume that opportunity cost of time is independent of travel time. This assumption was tested and found valid for trips with roundtrip driving time of up to 14 hours. Further, survey participants were categorized as belonging to one of the four groups below:

a. students, unemployed, retired;
b. farmers, retail, unskilled blue collar;
c. skilled blue collar; and
d. professional or manager.

The analysis of opportunity cost of time in relation to average income for the four categories showed that estimated opportunity time cost did not vary proportionately and positively with average income as is generally assumed. The analysis implied that the retail and unskilled blue-collar workers were more inclined than other groups to spend money rather than time. A possible explanation is that unskilled workers are required to spend more time at work while other groups value their time less because they have more freedom in allocating their time. Therefore, it is very

[155] Ward, Frank. A. 1983. "Measuring the Cost of Time in Recreation Demand Analysis: Comment." American Journal of Agricultural Economics 65(1):167-68.
_____. 1989. "Efficiently Managing Spatially Competing Water Uses: New Evidence from a Regional Recreation Demand Model." Journal of Regional Science 29)2):229-46.
[156] Bockstael, Nancy E., Ivar E. Strand, and W. Michael Hanemann. 1987. "Time and the Recreational Demand Model." American Journal of Agricultural Economics 69 (2):293-302.

important to account for institutional constrains on time allocation when estimating opportunity time costs.

6. "Investigating the Distribution of the Value of Travel Time Savings" by Morgens Fosgerau[157]

The main drive behind this paper is to investigate the distribution of the value of travel time savings (VTTS) by applying various nonparametric techniques to a large dataset. The data used here come from a recent value of time study undertaken for the Danish Ministry of Transport. Stated preference interviews were conducted but not on business travelers. The interview design provides choices between vehicle travel time and cost for the current trip. Information is also collected regarding what portion of travel time is free-flow and what portion is additional time due to congestion. This was done in order to allow the analyst to control for the different levels of congestion experienced by respondents. The dataset is designed to include the tradeoffs between time and money by having the respondents state whether their VTTS is higher or lower than a bid value.

Thus compiled information allows for nonparametric estimation of the cumulative distribution of the VTTS. It is only possible to estimate the cumulative VTTS distribution function up to the maximum bid, which for the dataset in question corresponds to about 87% quantile of the distribution. It is necessary to know the entire distribution since varying assumptions about the unobserved tail may lead to overestimated mean VTTS.

A nonparametric regression of y (willingness to pay to save time, where y=1 when the respondent is not willing to pay to have the fastest alternative) on v (distribution of bid values) is used to estimate the value of time (w) over the range of bids v. The following observations were made about the regression: "First, these is definitely a positive slope, which means that as the bid increases, more respondents decline to pay to save time. Second, Confidence bands are fairly tight, which means that choice probabilities can be addressed with a reasonable degree of accuracy and also the corresponding quantiles of the VTTS distribution. Third, there exists a monotone function within the confidence bands, which is consistent with the estimated function being a cumulative distribution function. Fourth, the distribution can be assumed to tend to zero at zero VTTS – there is no point mass at zero. Fifth, the distribution does, however, not tend to one within the observed range. "[158] The distribution does not approach one because at the largest bid presented there is still a significant number of respondents willing to pay more to save time so the right tail of the distribution is not observed which means that the mean VTTS cannot be estimated.

Sixteen parametric distributions (Normal, Gamma, Uniform, Triangular, Johnson S_B, Johnson S_B1, Beta, Beta1, Lognormal, Loggamma, Loguniform, Logtriangular, Log Johnson S_B, Log Johnson S_B1, Logbeta, Logbeta1) were then compared to the non-parametric distribution using the Zheng (1996)[159] test. All parametric distributions with values below zero were truncated

[157] M. Fosgerau. 2006. "Investigating the Distribution of the Value of Travel Time Savings." Transportation ResearchPart B 40: 688-707.
[158] M. Fosgerau. 2006. "Investigating the Distribution of the Value of Travel Time Savings." Transportation ResearchPart B 40. pp.695
[159] Zheng, J.X., 1996. A consistent test of functional form via nonparametric estimation techniques. Journal of Econometrics 75 (2), 263-289.

at zero. Gamma, Triangular, Johnson S_B, and Beta are the accepted distributions based on the Zheng test, meaning that they would predict choices well over the observed range of *v*. However, if it is required that a parametric distribution not have support on the negative half-axis and if truncation at zero is not allowed, than Triangular and Johnson S_B distributions are discarded.

The model was then expanded to include various covariates in a semiparametric model combining some parameterization with nonparametric error. This is accomplished by identifying a model where *log(w)* is a sum of linear index and an independent error ($log(w) = \beta x + u$), where *u* is an error that is independent of *x*, vector of observed variables). Observed variables are: personal income, trip duration, travel time difference between the two alternatives, and share of congestion time. Commuting and education are dummy variables for trip purpose. All parameters are found to be statistically significant at 5% except for the first-order term for age and the dummy for education. The VTTS of females is about 25% lower than that of males; the VTTS increases with the trip duration (0.17 elasticity) and with the size of time savings (elasticity of 0.36); congested time is significant and is valued 52% above free-flow time; the VTTS decreases with age.

The Klein and Spady (1993)[160] estimator was then used to estimate the index parameters. A nonparametric regression of *y* on the Klein-Spady residuals looks like a cumulative distribution function and since 0 and 1 are within the confidence bands at the ends of the distribution making it possible to compute the mean VTTS. "Among those distributions that are accepted by the Zheng test, the estimated mean VTTS varies between 105.5 and 183.7 DKK/h"[161] (the currency is Danish Kroner: 5.9 DKK = $1[162]). Statistics for the 16 parametric distributions indicate that Lognormal and Johnson S_B1 distributions are two main candidates for the distribution of error *u*. "The parameter estimates change very little from the semiparametric to the parametric models, reinforcing our conclusion that the two parametric distributions provide good approximations to the nonparametric distribution…. With the index from the S_B1 model we finally compute the mean VTTS as above, which yields a value of 89.2 DKK.h. This would be our estimate of the mean VTTS."[163]

C. INDUSTRY STANDARDS[164]

[160] Klein, R., Spady, R., 1993. An effective semiparametric estimator for binary response models. Econometrica 61 (2), 387-422.
[161] M. Fosgerau. 2006. "Investigating the Distribution of the Value of Travel Time Savings." Transportation Research Part B 40. pp. 705.
[162] Currency calculator provided by http://www.x-rates.com/calculator.html
[163] M. Fosgerau. 2006. "Investigating the Distribution of the Value of Travel Time Savings." Transportation Research Part B 40. pp.706.
[164] Office of the Secretary of Transportation Memorandum. April, 1997. "The Value of Saving Travel Time: Departmental Guidance for Conducting Economic Evaluations." Available at http://ostpxweb.dot.gov/policy/Data/VOT97guid.pdf), and "Revised Departmental Guidance – Valuation of Travel Time in Economic Analysis," Office of the Secretary of Transportation Memorandum, February 11, 2003. http://ostpxweb.dot.gov/policy/

In order to provide industry standards, Office of the Secretary of Transportation (OST) published the guidance on treatment of value of passenger travel time. This departmental guidance is to be used by Department of Transportation (DOT) when evaluating savings or losses of travel time that result from investment in transportation facilities or regulatory actions.

It is recommended that when evaluating the value of time it should be determined if the trip was undertaken during work hours or during personal time. Value of time on a business trip is generally represented with travelers' before tax wage rates (including fringe benefits) while some fraction of travelers' wage rate is used to estimate the personal time saved. As previously stated, an important variable in estimating value of time is variation in distance traveled, particularly between local and intercity trips. "Because intercity travel is usually consumed jointly with expensive services such as hotel rooms, restaurant meals, and entertainment, travel time saved is freed for purposes that travelers value highly… Intercity travel is, therefore, likely to be more valuable than time spent in local travel."[165]
OST Guidance recommends that values of time should be calculated as 100 percent of the wage (plus fringe benefits) for all local and intercity business travel, 50 percent of the wage for all local personal travel, and 70 percent of the wage for all intercity personal travel. The following table reports recommended hourly values of time for aviation industry:

Recommended Hourly Values of Travel Time Savings (2000 U.S. dollars per person)			
Category	**Recommendation**	**Sensitivity Range** **Low** **High**	
Air Carrier:			
Personal	$23.30	$20.00	
Business	$40.10	$30.00	
All Purpose*	$28.60	$32.10	
General Aviation:		$48.10	
Personal	$31.50	$23.80	
Business	$45.00	$35.60	
All Purpose	$37.20		
		n.r.	n.r.
		n.r.	n.r.
		n.r.	n.r.

*The all purpose values have increased proportionally less relative to their previous values than the personal and business values because of an increase in the ratio of personal to total travelers.
n.r.: No recommendation
Source: "APO Bulletin APO-03-01–Treatments of Values of Travel Time in Economic Analysis," FAA Office of Aviation Policy and Plans, Mar 2003, and "Revised Departmental Guidance–Valuation of Travel Time in Economic Analysis," Office of the Secretary of Transportation Memorandum, Feb 11, 2003.

[165]Office of the Secretary of Transportation Memorandum. April, 1997. "The Value of Saving Travel Time: Departmental Guidance for Conducting Economic Evaluations. pg.2.

D. CONCLUSIONS

The correct estimation of opportunity cost of time is imperative for effective economic decision-making. This is especially true in transportation industry where the benefits of time-savings tend to overshadow all other benefits. Therefore, it is important for decision makers to be aware of new developments and issues that are pertinent to estimating opportunity cost of time. One of the earliest studies that focused on the importance of incorporating time as an input in households' production of basic commodities and utility was done by Becker in 1965. Besides stressing the importance of time as a separate input, Becker also advocated paying more attention to time allocation.

More recently, Leunig (2005) has brought up the importance of transportation mode (air transport vs. rail transport for example) and transportation class (in his study, 1st and 2nd class vs. 3rd class) in estimating value of travel time. Leunig used wage rate as a measurement of value of time and concluded that in rail travel, business travel time should be valued as 100 percent of wage rate. For personal travel, travel time value equals to 46 percent of wage rate if the time saved would have been spent on a train and 92 percent f the time saved would have been spend walking.

Casey, at al. (1995) compare the standard travel cost estimation method (based on wage rate) to revealed value of time model based on contingent valuation methodology. They conclude that revealed value of time model statistically outperforms standard model and results in an estimated value of time of $46.82 per hour. In comparison, the wage rate model implied the value of time to be $26.27.

Shaw (1992) also questioned the wage rate approach. He reminded us that individuals with nonexistent market wages may be unemployed by choice. Separate time constraints were incorporated in order to address issues concerning individuals at corner solutions. For example, opportunity cost of time may be understated for the individuals that are required to work a fixed number of hours if they would rather allocate some of that time to non-work related activities. Continuing with this idea, McKean, Johnson and Walsh (1995) stress the importance of differentiating between those who can and those who cannot freely allocate their time. They conclude that individuals with less freedom to make such a choice may value their time more highly even if their earnings are lower that those of the individuals with more control over time-allocation.

However, the values of time that should be used when conducting economic evaluations are to be found in the U.S. Department of Transportation's guidance, "The Value of Saving Travel Time: Departmental Guidance for Conducting Economic Evaluations". These values are based on hourly wage rate or some fraction of a wage rate depending on purpose of the trip and distance traveled. An important advantage of using the Departmental guidance is that values of time are estimated using industry averages and pertain to the entire country as opposed to focusing only on a unique geographic location or on a sample of individuals that may not be representative of the entire country and its population. Nevertheless, the variety of methodologies and assumptions regarding the value of time estimations is an indicator of the importance placed on questioning and improving standard methods for measuring the value of time. While the results of the studies

reviewed in this document may not be applicable in most cases because their scope is restricted (geographically, demographically, etc.), the issues raised by these studies regarding methodologies and assumptions should be kept in mind when estimating value of time savings.

Finally, the key feature these studies share—their scope (and methodology) incorporates not only geographic- and demographic-specific data elements but also includes the need to develop the purposeful intent (business vs. personal) of the actors. The table below provides an easy way to compare the models relative purposeful intent, as well as other characteristics.

Model	Characteristics	Estimates
Leunig (2005)	• Explicitly recognizes wage differentials between occupational categories. • Business hour more valuable than personal travel. • Wage rate equals gross wage rate plus fringe.	• Work-related travel valued at 100% of wage rate. • Nonwork-related travel valued at 46% of wage rate. • UK Dept. of Trans. standard is 46% of wage rate.
Casey (1995)	• Applies contingent valuation method, (revealed value). • A "recreational" model based on survey data at Grandfather Mountain Wilderness Preserve. • Found higher value place on leisure than wage rate (dis-utility of labor).	• Estimated value $46.82 v. $26.27 based on wage rate model.
Shaw (1992)	• Attempts to address non-working (no wage rate) actors. • Suggests unemployed may have high opportunity cost. • Nature of activity important, recreation more highly valued (dis-utility of labor).	• No estimate suggests surveys to develop willingness to pay (WTP) and willingness to accept (WTA) estimates. • Use of proxy estimates to value the cost of forgone activity for the unemployed.
McKean (1995)	• Attempts to address actors who cannot freely allocate time. • Suggests these actors may have high opportunity cost. • Nature of activity important (dis-utility of labor). • A "recreational" model based on survey data at the Chesapeake Bay.	• Estimated value is 61% of average income per hour.
USDOT	• Explicitly recognizes modal differences. • Business hour more valuable than personal travel. • Wage rate equals gross wage rate plus fringe.	• Air Carrier: Personal, $23.30; Business, $40.10; All Purpose, $28.60. • General Aviation: Personal, $31.50; Business, $45.00; All Purpose, $37.20.

Appendix F : Marginal time estimates for applications

DHS established estimates for the increase in time to prepare, file and process DL/ID applications under the proposed NPRM. Figure 131 is a graphical representation of the primary assumptions used for applicants (found in Figure 132).

Figure 131: Marginal time spent by applicants, primary estimate

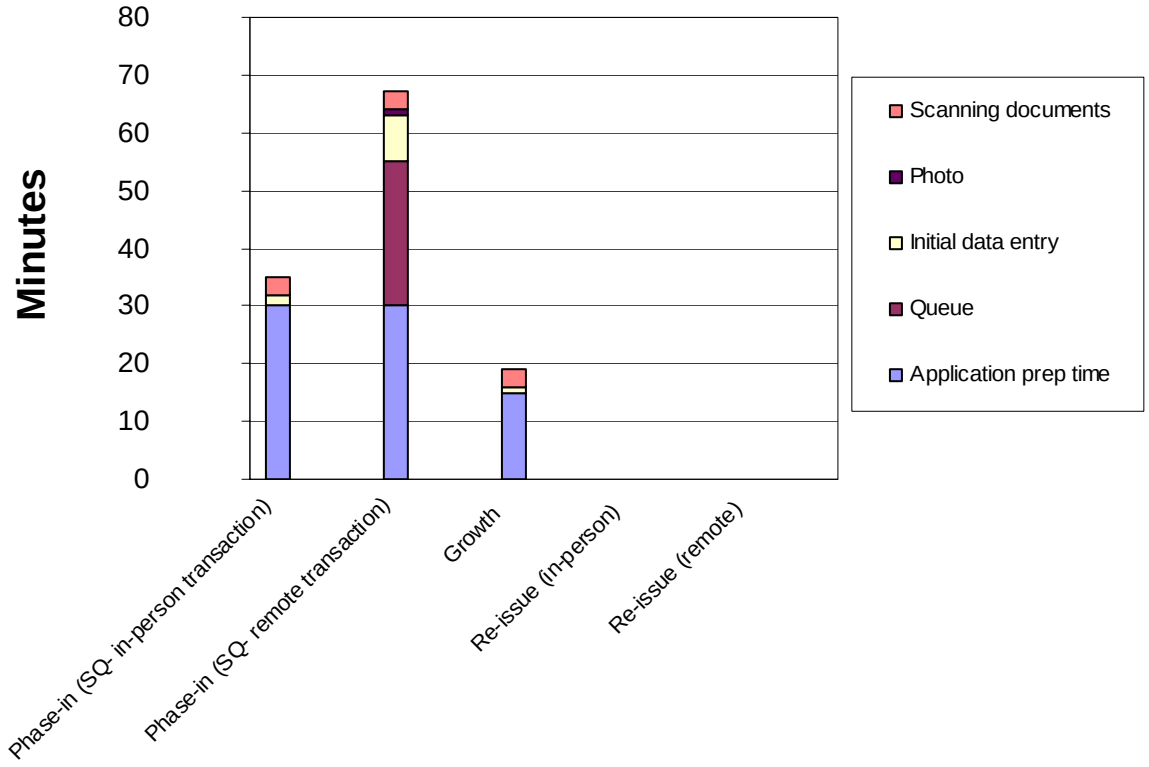


Figure 132: REAL ID marginal application time increase assumptions

	Transaction type		Phase-in (SQ- in-person transaction)	Phase-in (SQ- remote transaction)	Growth	Re-issue (in-person)	Re-issue (remote)
Applicants	Application prep time		30	30	15	0	0
		(Low High)	15 45	15 45	10 20	0 0	0 0
	Queue [a b]		0	25.8	0	0	
		(Low High)	0 0	10 41	0 0	0 0	
Applicants and DMV labor	Initial data entry		2	8	1		
		(Low High)	1 3	7 9	0 2		
	Data retrieval and/or modifications					0	0
		(Low High)				0 0	0 0
	Photo [a]		0	1	0	0	
		(Low High)	0 0	0.5 2	0 0	0 0	
	Scanning documents		3	3	3		
		(Low High)	2 4	2 4	2 4		
	Verifications [c]		0	0	0	0	0
		(Low High)	0 2	0 2	0 2	0 2	0 2
Total marginal increase for DMV (Primary)			**5**	**12**	**4**	**0**	
		(Low High)	3 9	9.5 17	2 8	0 2	
Total marginal increase for applicant (Primary)			**35**	**68**	**19**	**0**	**0**
		(Low High)	18 54	35 103.5	12 28	0 2	0 2

[a] The marginal increase applies only to those who would otherwise have completed a remote transaction.
[b] The primary estimate is the mean wait time reported by eight states. The high and low are plus/minus one standard deviation, respectively.
[c] DMVs will not incur the labor cost while waiting for a verification for remote re-issuances.

Areas blacked out in Figure 132 represent processes that the various types of transactions would not include. For instance, people renewing a REAL ID remotely would not need to:

- wait in line at the DMV;
- enter all of their biographic data as would be done for an initial issuance, and;
- electronically scan their source identity documents.

Areas not blacked out but with values of zero will occur for that type of transaction; however, DHS believes that there will be no change in the average time to complete that part of the transaction. For instance, applicants who would have appeared in person under the status quo (for either a renewal or a growth issuance) would have had their photo taken. Consequently, when the DMV takes their photo for their REAL ID – phase in, growth or in-person renewal- there is no marginal increase in opportunity cost to applicants or labor hours to the DMV.

The estimates for application preparation time are purely assumptions. These estimates do not include the time to gather source documents for identity, lawful status and SSN. Instead, this represents the time applicants would need to familiarize themselves with the various requirements under the proposed regulation (e.g. which documents they would need to obtain). DHS specifically requests data pertaining to the following:

- on average, how long does it currently take to become familiar with all requirements and complete the paperwork for an application for a DL/ID;
- how much longer will it take applicants to become familiar with new processes and complete the paperwork for the proposed REAL ID application?

In its second survey of 2006, AAMVA assumes that:

- An initial REAL ID enrollment would take twice as long as a baseline in-person renewal;
- An in-person renewal would take twice as long as a baseline remote renewal;
- An initial REAL ID enrollment would take four times as long as a baseline remote renewal;
- The time to renew a REAL ID in-person would be the same as a baseline in-person renewal, and;
- Issuing a new DL/ID would take the same amount of time either under the baseline or under REAL ID. (See Figure 133.)

Figure 133: AAMVA's assumed transaction time multipliers

	Baseline transaction type:		
REAL ID transaction:	Growth	In-person renewal	Remote renewal
Initial enrollment	1	2	4
In-person renewal		1	2
Remote renewal [a]	NA	NA	NA

[a] AAMVA assumes no remote renewals would be allowed.

Comparing AAMVA and DHS estimates, which were developed independently, results in interesting similarities and differences. Both make the same assumption about in-person REAL ID renewals—that there will be no increase over the baseline. AAMVA assumed that remote renewals would be prohibited under the proposed regulation. The Department had the advance knowledge that this would not be the case and has estimated that remote renewal times would remain the same under REAL ID as they are in the status quo. While AAMVA assumes that issuing a new DL/ID would take the same amount of time under REAL ID as under the status quo, the Department has assumed that the additional document scanning requirements and data entry will add time to the transaction. If the current in-person renewal time averages five minutes, AAMVA and DHS have made similar estimates about the increase in time between renewing in-person under the status quo and receiving an initial REAL ID. If the average DMV processing time for remote renewals averages three minutes, AAMVA and DHS have made similar estimates on the increased amount of time for DMVs to process initial REAL ID transactions that would have been remote re-issuances under the status quo.

Appendix G : State responses to AAMVA surveys

The following are the questions that States responded to as reported by the American Association of Motor Vehicle Administrators (AAMVA). The respondents include the 50 states, the District of Columbia and American Samoa. The tables were created by DHS based upon the data it received directly from AAMVA.

1. What is your state's issuance process?

Response	Frequency	Distribution %
Central	16	30.77%
Hybrid	5	9.62%
Instant	24	46.15%
No Answer	7	13.46%
Total	52	100.00%

2. What are your state's annual volume totals for the following transaction types?
   a. Original Driver's License (DL)

Response	Frequency	Distribution %
≤ 100,000	16	30.77%
100,001 - 200,000	12	23.08%
200,001 - 300,000	5	9.62%
300,001 - 400,000	5	9.62%
≥ 400,001	10	19.23%
No Answer	4	7.69%
Total	52	100.00%

   b. Original Identification Card (ID)

Response	Frequency	Distribution %
≤ 50,000	23	44.23%
50,001 - 100,000	10	19.23%
100,001 - 150,000	5	9.62%
150,001 - 200,000	0	0.00%
≥ 200,001	9	17.31%
No Answer	5	9.62%
Total	52	100.00%

c. Renewal DL

Response	Frequency	Distribution %
≤ 250,000	14	26.92%
250,001 - 500,000	6	11.54%
500,001 - 750,000	10	19.23%
750,001 - 1,000,000	4	7.69%
≥ 1,000,001	10	19.23%
No Answer	8	15.38%
Total	52	100.00%

d. Renewal ID

Response	Frequency	Distribution %
≤ 25,000	10	19.23%
25,001 - 50,000	8	15.38%
50,001 - 75,000	1	1.92%
75,001 - 100,000	6	11.54%
≥ 100,001	8	15.38%
No Answer	19	36.54%
Total	52	100.00%

e. Duplicate DL

Response	Frequency	Distribution %
≤ 100,000	13	25.00%
100,001 - 200,000	8	15.38%
200,001 - 300,000	7	13.46%
300,001 - 400,000	4	7.69%
≥ 400,001	10	19.23%
No Answer	10	19.23%
Total	52	100.00%

f. Duplicate ID

Response	Frequency	Distribution %
≤ 15,000	10	19.23%
15,001 - 30,000	6	11.54%
30,001 - 45,000	4	7.69%
45,001 - 60,000	5	9.62%
≥ 60,001	4	7.69%
No Answer	23	44.23%
Total	52	100.00%

g. Reinstatements DL

Response	Frequency	Distribution %
≤ 25,000	10	19.23%
25,001 - 50,000	5	9.62%
50,001 - 75,000	7	13.46%
75,001 - 100,000	3	5.77%
≥ 100,001	8	15.38%
No Answer	19	36.54%
Total	52	100.00%

h. Reinstatements ID

Response	Frequency	Distribution %
Zero	1	1.92%
1 - 5,000	2	3.85%
≥ 5,001	1	1.92%
No Answer	48	92.31%
Total	52	100.00%

i. Other DL

Response	Frequency	Distribution %
≤ 100,000	7	13.46%
100,001 - 200,000	4	7.69%
≥ 200,001	2	3.85%
No Answer	39	75.00%
Total	52	100.00%

j. Other ID

Response	Frequency	Distribution %
≤ 50,000	3	5.77%
50,001 - 100,000	2	3.85%
≥ 100,001	1	1.92%
No Answer	46	88.46%
Total	52	100.00%

3. Do you have an alternative issuance method that does not require the applicant to appear in present [sic]?

Response	Frequency	Distribution %
Yes	40	76.92%
No	5	9.62%
No Answer	5	9.62%
N/A	1	1.92%
Total	52	100.00%

4. What is your state's total number of valid DL and ID records currently on file?

Response	Frequency	Distribution %
≤ 2,500,000	20	38.46%
2,500,001 - 5,000,000	10	19.23%
5,000,001 - 7,500,000	11	21.15%
7,500,001 - 10,000,000	3	5.77%
≥ 10,000,001	4	7.69%
No Answer	4	7.69%
Total	52	100.00%

5. What is your state's total number of issuing sites? Total should indicate fill time and part time issuing sites

Response	Frequency	Distribution %
≤ 50	15	28.85%
51-100	14	26.92%
101-150	9	17.31%
151-200	5	9.62%
≥ 200	3	5.77%
No Answer	6	11.54%
Total	52	100.00%

6. What is your state's total number of full time employees directly involved with DL/ID issuance?
    a. Total

Response	Frequency	Distribution %
≤ 300	15	28.85%
301 - 600	12	23.08%
601 - 900	6	11.54%
901 - 1200	7	13.46%
≥ 1201	5	9.62%
No Answer	7	13.46%
Total	52	100.00%

b. HQ

Response	Frequency	Distribution %
≤ 10	14	26.92%
11 to 20	9	17.31%
21 to 30	3	5.77%
31 to 40	2	3.85%
≥ 40	7	13.46%
No Answer	7	13.46%
N/A	10	19.23%
Total	52	100.00%

c. Field

Response	Frequency	Distribution %
≤ 300	16	30.77%
301 - 600	13	25.00%
601 - 900	5	9.62%
901 - 1200	6	11.54%
≥ 1201	5	9.62%
No Answer	7	13.46%
Total	52	100.00%

7. Does your state have a barcode or magnetic stripe on the DL/ID?

Response	Frequency	Distribution %
1D barcode, Magnetic strip	4	7.69%
1D barcode	1	1.92%
1D, 2D barcode	8	15.38%
2D barcode, Digital watermark	1	1.92%
2D barcode, Magnetic strip	10	19.23%
2D barcode	16	30.77%
2D, 1D bar, Magnetic strip	2	3.85%
Barcode (unspecified)	5	9.62%
Magnetic strip	2	3.85%
None	1	1.92%
No Answer	2	3.85%
Total	52	100.00%

8. Do you issue a temporary DL/ID to temporary immigrants for a term based on immigrant status?

Response	Frequency	Distribution %
Yes	24	46.15%
No	23	44.23%
No Answer	5	9.62%
Total	52	100.00%

9. Does the expiration date of the temporary immigrants DL/ID correspond with the expiration date of the immigrant documents?

Response	Frequency	Distribution %
Yes	21	40.38%
No	10	19.23%
No Answer	6	11.54%
N/A	15	28.85%
Total	52	100.00%

   a. Please indicate the number of temporary immigrant Dl/Ids your state issues annually

Response	Frequency	Distribution %
≤ 25,000	6	11.54%
25,001 - 50,000	3	5.77%
50,001 - 75,000	2	3.85%
≥ 75,001	3	5.77%
No Answer	14	26.92%
N/A	22	42.31%
Unknown	2	3.85%
Total	52	100.00%

10. Do you electronically verify Social Security Numbers?

Response	Frequency	Distribution %
Yes	39	75.00%
No	6	11.54%
No Answer	7	13.46%
Total	52	100.00%

a. Do you use SSOLV?

Response	Frequency	Distribution %
Yes	36	69.23%
No	6	11.54%
No Answer	10	19.23%
Total	52	100.00%

b. Do you use a batch process?

Response	Frequency	Distribution %
Yes	13	25.00%
No	24	46.15%
No Answer	13	25.00%
N/A	2	3.85%
Total	52	100.00%

11. Do you electronically verify legal presence of applicants?

Response	Frequency	Distribution %
Yes	10	19.23%
No	35	67.31%
No Answer	7	13.46%
Total	52	100.00%

a. Do you use SAVE?

Response	Frequency	Distribution %
Yes	11	21.15%
No	29	55.77%
No Answer	11	21.15%
N/A	1	1.92%
Total	52	100.00%

b. Do you use a batch process?

Response	Frequency	Distribution %
Yes	0	0.00%
No	28	53.85%
No Answer	24	46.15%
Total	52	100.00%

12. Do you electronically verify military documents?

Response	Frequency	Distribution %
Yes	0	0.00%
No	46	88.46%
No Answer	6	11.54%
Total	52	100.00%

a. Do you use DEERS (DOD)?

Response	Frequency	Distribution %
Yes	0	0.00%
No	46	88.46%
No Answer	6	11.54%
Total	52	100.00%

13. Do you use an electronic, online or automated verification system to ensure birth certificate authenticity?

Response	Frequency	Distribution %
Yes	1	1.92%
No	45	86.54%
No Answer	6	11.54%
Total	52	100.00%

14. Do you rely solely on visual fraud checks by examiners/issuance personnel to determine birth certificate authenticity?

Response	Frequency	Distribution %
Yes - Visual	42	80.77%
No - Electronic	1	1.92%
No - Verify	1	1.92%
None	3	5.77%
No Answer	5	9.62%
Total	52	100.00%

15. Do you verify applicant address authenticity through internal vendor/software/databases?

Response	Frequency	Distribution %
Yes	9	17.31%
No	37	71.15%
No Answer	6	11.54%
Total	52	100.00%

16. Do you collect and maintain copies of identity source documents?

Response	Frequency	Distribution %
Yes	23	44.23%
No	23	44.23%
No Answer	6	11.54%
Total	52	100.00%

a. Are they digital images?

Response	Frequency	Distribution %
Yes	10	19.23%
No	11	21.15%
No Answer	31	59.62%
Total	52	100.00%

b. Are they hard copy?

Response	Frequency	Distribution %
Yes	10	19.23%
No	8	15.38%
No Answer	34	65.38%
Total	52	100.00%

17. Upon implementation of the REAL ID Act, will your state change its method of document retention?

Response	Frequency	Distribution %
Yes	34	65.38%
No	9	17.31%
No Answer	8	15.38%
N/A	1	1.92%
Total	52	100.00%

18. How long do you retain copies of source documents?

Response	Frequency	Distribution %
≤ 5 yrs	2	3.85%
6 - 10 yrs	9	17.31%
≥ 11 yrs	3	5.77%
Forever	10	19.23%
No Answer	7	13.46%
N/A	21	40.38%
Total	52	100.00%

19. For applicant identification, what is the average number of source documents per transaction required by your state for original/first/new DL or ID?

Response	Frequency	Distribution %
1 or 2	14	26.92%
3 or 4	26	50.00%
5 or 6	3	5.77%
7 or 8	2	3.85%
9 or more	1	1.92%
No Answer	6	11.54%
Total	52	100.00%

20. Do you issue license or identification documents without an applicants photograph?

Response	Frequency	Distribution %
Yes	27	51.92%
Yes - Military	1	1.92%
Yes - Absentee licenses	1	1.92%
Yes - Amish only	1	1.92%
No	15	28.85%
No Answer	7	13.46%
Total	52	100.00%

21. What is the annual issuance total for documents without a picture?

Response	Frequency	Distribution %
≤ 500	13	25.00%
501 - 1000	4	7.69%
1001 - 2000	2	3.85%
≥ 2001	9	17.31%
No Answer	10	19.23%
N/A	14	26.92%
Total	52	100.00%

22. Do you have fraud document training?

Response	Frequency	Distribution %
Yes - uses AAMVA	31	59.62%
Yes - other training	6	11.54%
No training	9	17.31%
No Answer	6	11.54%
Total	52	100.00%

23. What is your state's maximum valid issuance term?

a. DL

Response	Frequency	Distribution %
3 or 4	16	30.77%
5 or 6	19	36.54%
7 or 8	9	17.31%
≥ 9	3	5.77%
No Answer	5	9.62%
Total	52	100.00%

b. ID

Response	Frequency	Distribution %
4 or 5	26	50.00%
6 or 7	7	13.46%
≥ 8	9	17.31%
Indefinite	5	9.62%
No Answer	5	9.62%
Total	52	100.00%

24. What is the youngest age your state issues IDs to applicants?

Response	Frequency	Distribution %
Zero	14	26.92%
1 to 5	4	7.69%
6 to 10	2	3.85%
11 to 15	1	1.92%
≥ 16	3	5.77%
No minimum	23	44.23%
No Answer	5	9.62%
Total	52	100.00%

25. What does your state pay the vendor (contract-cost-per-card) for the production of DL/ID?

Response	Frequency	Distribution %
No cost	3	5.77%
≤ $1.00	6	11.54%
$1.01 - $2.00	21	40.38%
$2.01 - $3.00	9	17.31%
≥ $3.01	3	5.77%
No Answer	9	17.31%
N/A	1	1.92%
Total	52	100.00%

Appendix H: Data Reported to AAMVA by State
In Surveys Taken in 2005-2006

This appendix summarizes survey data on State driver's license and identification (ID) card requirements, processes, and issuances, as collected, compiled, and shared with TSA by the American Association of Motor Vehicle Administrators (AAMVA) in a 2005 survey (with follow-up) of its members and/or in a subsequent survey conducted in 2006.

The appendix is organized by State, with each State presented in alphabetical order. The first page on each State summarizes the information that is most relevant to REAL ID. This information includes the following:

- The State's rank among all States in terms of population 16 or older.[166]
- A mock driver's license identifying each of the data items that the proposed REAL ID would require (full legal name, date of birth, gender, card number, digital photograph, address, signature) and whether the State *currently* presents this information on drivers licenses.[167]
- Other driver's license and identification (ID) card information including:
  - Annual driver's license and ID card issuances
  - Total licenses and IDs on file
  - Machine-readable technology, if any
  - Manner in which source documents are maintained, if applicable
  - Total number of issuing sites
  - Total number of full-time employees
  - Maximum card issuance term
  - Youngest issuance age
  - Contract cost per card
- Accepted source documents; average number of documents required for verification; whether the State verifies the documents.
- Information on the number of annual issuances of driver's licenses and ID cards, by type (i.e., original, renewal, duplicate, reinstatement, other).

Both New York and Virginia requested that their responses not be published. DHS has removed information for these states that is not otherwise publicly available. Information that is publicly available includes use of machine readable technology[168] and maximum validity periods.[169] Though their individual responses are not provided below they have been included in national totals and in the DHS Regulatory Evaluation of the REAL ID NPRM.

Subsequent pages for each State present other information obtained from the surveys.

NOTE: *This appendix is based on survey responses that have not been independently evaluated or confirmed.*

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[166] Population data are the only data presented in this appendix that were not obtained from the surveys. Population data were taken from the US Census Bureau's "Projected resident population age 16+ for CYs 2004-2017." Available at <http://www.census.gov/population/projections/DownldFile3.xls>.

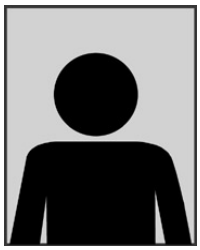
[167] The mock driver's license format is introduced solely as a graphical aid to the reader and was not part of the AAMVA survey (although the data presented on the mock driver's license format were taken from the AAMVA survey).

[168] AAMVA. "Standards – U.S. License Technology: Current and Planned Technologies for U.S. Jurisdictions." Available at <http://www.aamva.org/KnowledgeCenter/Standards/uslicensetechnology.htm>. Accessed 14 Feb 2007.

[169] Available through State DMV websites.

Alabama

Alabama Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

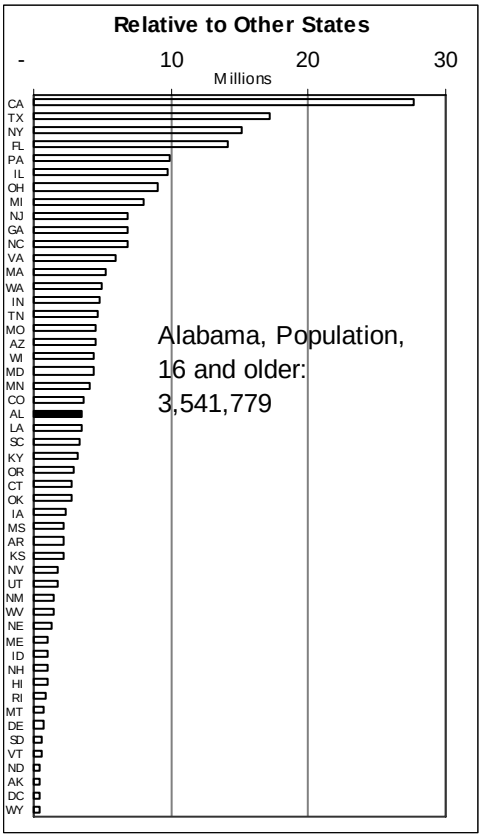
Annual Driver's License Issuances:	1,151,906
Annual ID Card Issuances:	64,572
Total Licenses and IDs on File:	5,182,260
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	Digital, indefinite
Total Number of Issuing Sites:	196
Total Number of Full-Time Employees:	300 field/ NA HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	Lifetime over 62
Youngest Card Issuance Age:	No min
Contract Cost per Card:	$1.58

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID: No

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	119,433	33,471	***152,904***
Renewal (reissuance of a record on file)	715,571	1,800	***717,371***
Duplicate (including replacements and name/address changes)	263,239	29,301	***292,540***
Reinstatements (reissuance for compliance received)	53,663	--	***53,663***
Other	--	--	--
Total	***1,151,906***	***64,572***	***1,216,478***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA, DPS in house program	Number of people involved in the driver's license issuance process: 178	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: Unknown	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

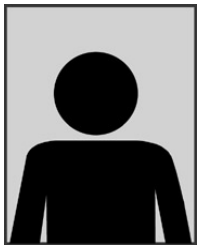
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Unknown.
Impact of resolving social security number discrepancies:
Massive. Why should the state be required to resolve the discrepancy? Why not place this burden on the individual to resolve with the social security administration?
Impact of maintaining a database containing DL data and driver history:
None
Impact of providing other states with access to the database of drivers and driver histories:
Are you talking about just driver license information or are you including motor vehicle registration data also?
None, if you are just referring to driver license access.
Impact of Social Security Online Verification (SSOLV) Requirement:
None. We are on line.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
A work in progress. We have registered and are awaiting the process to enter into the MOU.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
I have not been provided with enough information to draw a conclusion or make an assumption.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Not enough information provided to respond to this question.
Impact of requiring legal presence by applicants:
None. We already have legislation in place.
Impact of capturing and storing all source documents as digital image files:
Massive. We have equipment available at our six (6) district offices to accomplish this, however, we do not have the resources to equip all of our 79 offices.
Impact of subjecting each applicant to mandatory facial image capture:
None
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Major. Who is going to provide even a list of telephone numbers? What about US citizens born in foreign countries?

Impact of creating a fraud document training program:
In our state, probate judges and license commissioners act as agents of the state in issuing duplicate driver licenses and we have no control over these agencies. This would require that Public Safety take complete control of the licensing process. A fraudulent document recognition program has been in place for several years. All Public Safety Driver License Examiners receive yearly training in fraudulent document recognition.
Impact of ensuring physical security at driver's license/ID card production facilities:
None, other than the cost of travel.
Impact of requiring employees to clear appropriate security clearance requirements:
None
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Alabama does not intend to license persons who are in this country illegally. Therefore there would be no need for such a certificate.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
None
Impact of amending the ID expiration date to show that it is "different than usual:"
Limited impact – programming effort with associated costs.
Why must it be called a temporary with a different than usual expiration date? For example, although we call it a foreign national license the expiration date is shown the same as any other license. It is simply tied to the expiration date of the immigration documents.

Alaska

Alaska Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

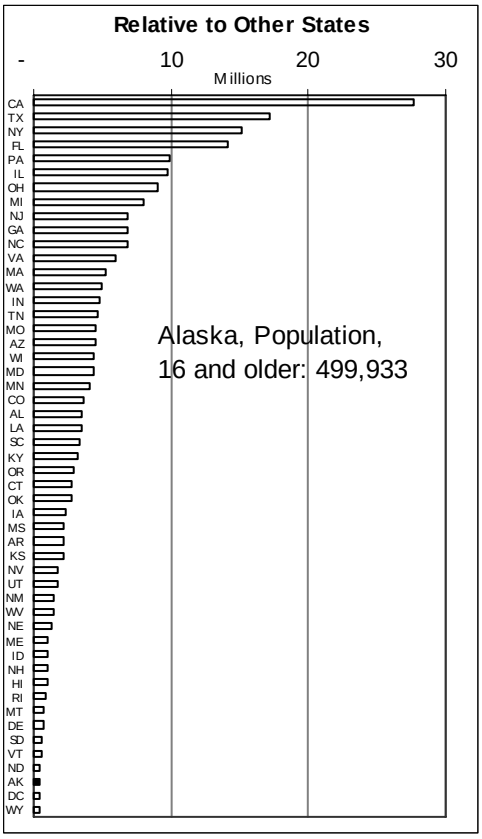
Annual Driver's License Issuances:	180,000
Annual ID Card Issuances:	52,460
Total Licenses and IDs on File:	500,248
Machine Readable:	2D bar
Maintain Source Documents:	Hard copy, microfilm; indefinite
Total Number of Issuing Sites:	31
Total Number of Full-Time Employees:	137 field, NA HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	No min
Contract Cost per Card:	No cost

Accepted Verification Documents:

	Verify	
Social Security Number	No	
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	180,000	52,460	***232,460***
Total	***180,000***	***52,460***	***232,460***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 810 DL, 90 Permits	Alternative issuance method: Yes	Fraud document training program currently being used: Training from ICE	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

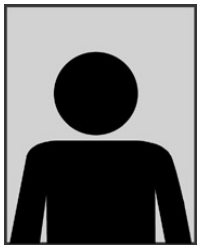
Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Currently required
Impact of resolving social security number discrepancies:
In state can identify duplicate number Must connect to SSOLV and set up verification of use between states
Impact of ensuring that another state has not issued a DL to applicant:
Current tool is PDPS which could be expanded or utilize CDLIS for this purpose
Impact of maintaining a database containing DL data and driver history:
Current practice
Impact of providing other states with access to the database of drivers and driver histories:
Needs to be developed
Impact of Social Security Online Verification (SSOLV) Requirement:
SSOLV expected by 6/06
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
SAVE must be developed
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Need information on this database
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Need to develop new format
Impact of requiring legal presence by applicants:
Legislation introduced with expected passage in 2006
Impact of capturing and storing all source documents as digital image files:
Must develop
Impact of subjecting each applicant to mandatory facial image capture:
Currently required (digital image)
Impact of using an electronic, online or automated authentication system for birth certificate verification:
PDPS only check; Must develop
Impact of creating a fraud document training program:
Needs to be implemented
Impact of ensuring physical security at driver's license/ID card production facilities:
Current Practice
Impact of requiring employees to clear appropriate security clearance requirements:
Needs to be done
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
May consider as option
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Reprogramming required
Impact of amending the ID expiration date to show that it is "different than usual:"
Reformatting required

American Samoa Driver's License



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Full Legal Name
Date of Birth
Gender
Card Number
Digital Photograph
Address
Signature

American Samoa

Key Statistics:

Annual Driver's License Issuances:	--
Annual ID Card Issuances:	--
Total Licenses and IDs on File:	--
Machine Readable:	No
Maintain Source Documents:	Hard, depends
Total Number of Issuing Sites:	--
Total Number of Full-Time Employees:	--
Issuance Process:	--
Maximum Valid Card Issuance Term:	--
Youngest Card Issuance Age:	10
Contract Cost per Card:	--

Accepted Verification Documents:

	Verify
Social Security Number	No
Birth Certificate	No
Authenticate Address	No
Military Documents	No

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3

Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	**--**	**--**	**--**

Issuance Process

Issue license or identification documents without applicant's photograph: No answer	Annual issuance total for documents without a picture: NA	Alternative issuance method: --	Fraud document training program currently being used: --	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:

Impact of resolving social security number discrepancies:

Impact of ensuring that another state has not issued a DL to applicant:

Impact of maintaining a database containing DL data and driver history:

Impact of providing other states with access to the database of drivers and driver histories:

Impact of Social Security Online Verification (SSOLV) Requirement:

Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:

Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:

Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:

Impact of requiring legal presence by applicants:

Impact of capturing and storing all source documents as digital image files:

Impact of subjecting each applicant to mandatory facial image capture:

Impact of using an electronic, online or automated authentication system for birth certificate verification:

Impact of creating a fraud document training program:

Impact of ensuring physical security at driver's license/ID card production facilities:

Impact of requiring employees to clear appropriate security clearance requirements:

Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":

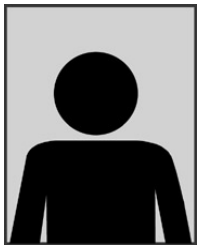
Process/Formula used to determine the number of employees necessary to perform specific tasks: ***(q 4)***

Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:

Impact of amending the ID expiration date to show that it is "different than usual:"

Arizona

Arizona Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

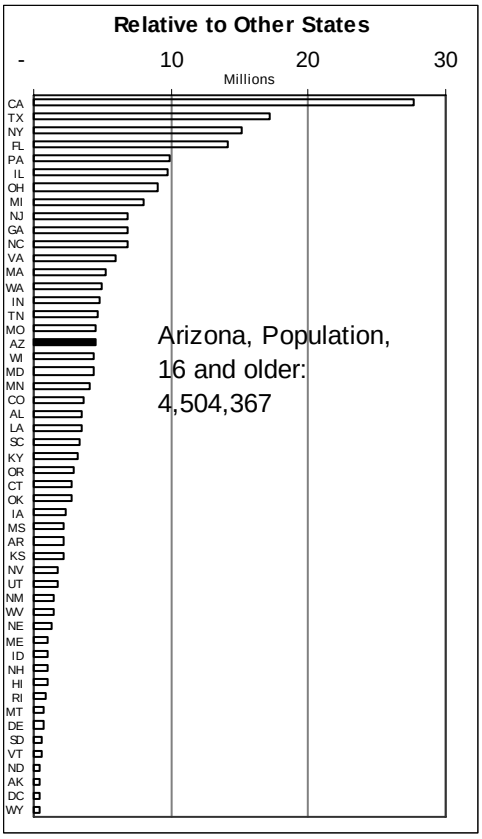
Annual Driver's License Issuances:	1,158,223
Annual ID Card Issuances:	1,494,461
Total Licenses and IDs on File:	5,526,115
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	Both, 10yrs
Total Number of Issuing Sites:	68
Total Number of Full-Time Employees:	740 field, NA HQ
Issuance Process:	Hybrid
Maximum Valid Card Issuance Term:	49
Youngest Card Issuance Age:	No min
Contract Cost per Card:	No cost

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	Database
Military Documents	No	

Document retention methods to change under Real ID*:* No

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	263,579	1,494,461	***1,758,040***
Renewal (reissuance of a record on file)	143,300	--	***143,300***
Duplicate (including replacements and name/address changes)	510,834	--	***510,834***
Reinstatements (reissuance for compliance received)	83,867	--	***83,867***
Other	156,643	--	***156,643***
Total	***1,158,223***	***1,494,461***	***2,652,684***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 120 DL	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: 825	Number of employees involved in issuance of hybrid cards (if applicable): Not answered

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

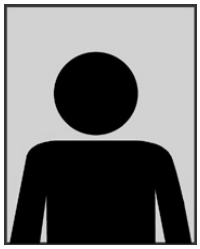
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Change to current process. Modifies screening process and impedes e-government. Requires new process to screen applicants. Requires funding.
Impact of resolving social security number discrepancies:
Change to current process. Increases transaction time and customer wait/visit time. Requires states to resolve discrepancy involving already registered/associated SSNs and take appropriate action.
Impact of ensuring that another state has not issued a DL to applicant:
Increased incoming and outgoing data traffic. DRIVerS will accommodate the checking of States of Records; or CDLIS State to State Status or Driver History Request transactions will suffice.
Impact of maintaining a database containing DL data and driver history:
Process in place.
Impact of providing other states with access to the database of drivers and driver histories:
Change to current process. Requires funding.
Impact of Social Security Online Verification (SSOLV) Requirement:
Change to current process. Requires significant system programming change.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Change to current process. Requires significant system programming change. Modifications required: Develop functionality to interface with Homeland Security's SAVE program in both real-time and batch modes; Reporting; New policies; Training; Programming changes to send all duplicates, photo updates and endorsements to SSOLV; Legislation; Rules; and Funding.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Change to current process. Requires significant system programming change.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Change to current process. Prohibits access to certain federal facilities including boarding federally regulated commercial aircraft. Prohibits federal agencies from accepting state issued DL/ID cards for official purposes. Requires credential to be of unique design/color to alert federal agency/law enforcement that they may not be accepted for official purposes.

Impact of requiring legal presence by applicants:
Process in place. Arizona law requires that all applicants submit proof of authorized presence.
Impact of capturing and storing all source documents as digital image files:
Requires the purchase and placement of additional equipment in each MVD field office. Requires scanner equipment to be purchased for each field office. Software, development, and storage are costs associated with imaging and storing required documentation. Create retention schedule. Requires policy change. Requires training. Requires new office facilities. Requires office remodel. Requires funding.
Impact of subjecting each applicant to mandatory facial image capture:
Change in current process. Increases customer wait/visit time.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Change to current process. Requires significant system programming change.
Impact of creating a fraud document training program:
Process in place. Established Fraudulent Document Recognition Training Program in 2004.
Impact of ensuring physical security at driver's license/ID card production facilities:
Process in place. Increases the quantity of secured areas.
Impact of requiring employees to clear appropriate security clearance requirements:
Change to current process. Increases the number of security background checks conducted. Requires all persons authorized to manufacture/produce DL/ID cards be subjected to appropriate security clearance requirements. Criminal history checks would be required on 300 employees including new positions, trainers, records staff, and Information Technology staff.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Not good public policy
Process/Formula used to determine the number of employees necessary to perform specific tasks:
We have standards but are in the process of doing a staffing analysis and revisiting the standards. We should be finished with our re-evaluation by the end of December. We are assisted by the measurement systems we have in place as well as our Q-matic counts –etc. We will be looking at growth (number of customers and transactions); geographic elements as well as utilizing a formula we have established for the numbers we believe are reality for our clerks. I reiterate this will not be totally in place until the end of the year.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Change to current process. Expiration is currently tied to end of stay or issuance for no more than 2 years.
Requires new credentials. Modifications required: System programming change; Testing; Policy change; Legislation; Training; Rules; Funding.
Impact of amending the ID expiration date to show that it is "different than usual:"
Change to current process. Requires new credentials. New credential templates required for driver license, instruction permit, identification card & restricted driver permit (photo & paper credentials).Modifications required: Format changes to indicate "temporary" on the credential; System programming change; Testing; Funding.

Arkansas

Arkansas Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

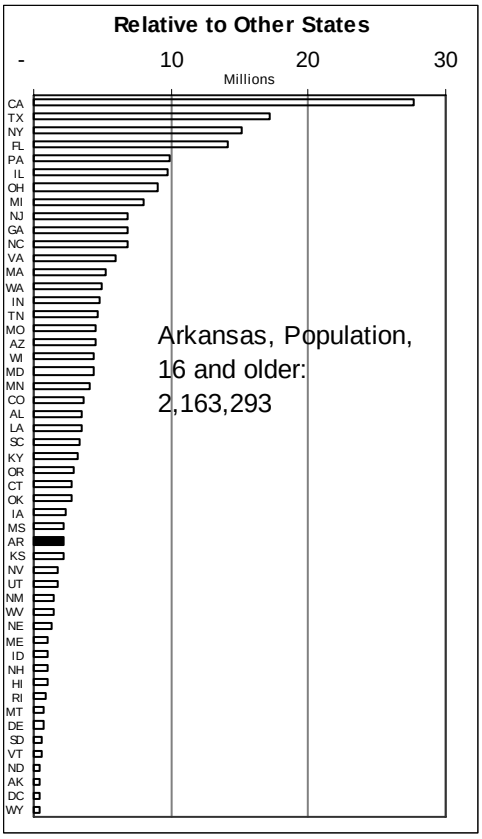
Annual Driver's License Issuances:	590,897
Annual ID Card Issuances:	63,895
Total Licenses and IDs on File:	2,323,685
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	NA, 10 yrs
Total Number of Issuing Sites:	135
Total Number of Full-Time Employees:	453 field, 11 HQ
Issuance Process:	No answer
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	No min
Contract Cost per Card:	$1.79

Accepted Verification Documents:

	Verify	
Social Security Number	No answer	
Birth Certificate	Yes	Visual
Authenticate Address	No answer	
Military Documents	No answer	

Document retention methods to change under Real ID*:* NA

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	61,532	34,422	***95,954***
Renewal (reissuance of a record on file)	410,495	29,473	***439,968***
Duplicate (including replacements and name/address changes)	118,870	--	***118,870***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***590,897***	***63,895***	***654,792***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 213 DL	Alternative issuance method: Yes	Fraud document training program currently being used: No answer	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

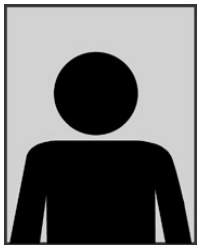
Temporary DL/ID to temporary immigrants for a term based on immigration status: No answer	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No answer

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Would require new process for verification of documents.
Impact of resolving social security number discrepancies:
At present we have completed 75 percent of batch process with SSA. We had a 5 percent error rate. We are still working through process on how to handle errors.
Impact of ensuring that another state has not issued a DL to applicant:
In the process of migrating off a SNA connection to frame relay to participate in Task 8 Digital Image Exchange Pilot Project.
Impact of maintaining a database containing DL data and driver history:
At the present time the state history screen includes MV violations, suspensions and points on license.
Impact of providing other states with access to the database of drivers and driver histories:
Would require system change, which could be a costly price.
Impact of Social Security Online Verification (SSOLV) Requirement:
Because of state legislation, will implement 1-31-06.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Would require internet connection to revenue sites over the state for over-the-counter issuance.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
No answer
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Presently delaying RFP until rule making is completed on Real ID.
Impact of requiring legal presence by applicants:
Presently have this is a State requirement.
Impact of capturing and storing all source documents as digital image files:
Will require new driver license system to capture document and retain to driver license record.
Impact of subjecting each applicant to mandatory facial image capture:
Presently persons because of religious beliefs are not required to have photo made.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Have no way to verify birth certificate.
Impact of creating a fraud document training program:
Have conducted an 8-hour training course for some revenue employees, need an on-going training for new employees.
Impact of ensuring physical security at driver's license/ID card production facilities:
Issue license over the counter in a secure location.
Impact of requiring employees to clear appropriate security clearance requirements:
Presently we have not done background checks on employees – looking into cost.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Do not plan on issuing license to anyone who can't prove legal presence.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Would have to implement.
Impact of amending the ID expiration date to show that it is "different than usual:"
No answer

California

California Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

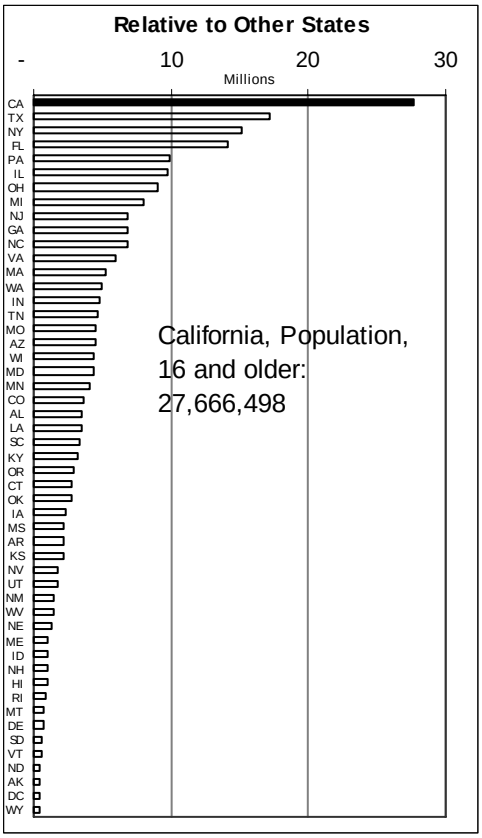
Annual Driver's License Issuances:	7,701,000
Annual ID Card Issuances:	1,419,000
Total Licenses and IDs on File:	26,435,652
Machine Readable:	1D bar, Mag stripe
Maintain Source Documents:	No
Total Number of Issuing Sites:	168
Total Number of Full-Time Employees:	3000 field, NA HQ
Issuance Process:	No answer
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	No min
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV, batch
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	850,000	675,000	***1,525,000***
Renewal (reissuance of a record on file)	5,500,000	725,000	***6,225,000***
Duplicate (including replacements and name/address changes)	1,300,000	--	***1,300,000***
Reinstatements (reissuance for compliance received)	--	--	***--***
Other	51,000	19,000	***70,000***
Total	***7,701,000***	***1,419,000***	***9,120,000***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 140,000 DL	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

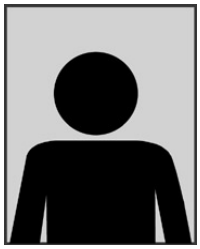
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Unable to determine. There will be a major impact if the regulation for the verification of identity for renewals establishes a document-based requirement.
Impact of resolving social security number discrepancies:
To be determined.
Impact of ensuring that another state has not issued a DL to applicant:
To be determined.
Impact of maintaining a database containing DL data and driver history:
No impact.
Impact of providing other states with access to the database of drivers and driver histories:
Unknown.
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently use.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
None for current process and system design (that now applies to original applicants), but there are personnel and IT costs asso
including renewal applicants.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Major Impact (costs, state law)
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Possibly minimal impact. Requires programming for our database, along with programming and physical card changes with our card vendor.
Impact of requiring legal presence by applicants:
Possibly minimal impact. California has required legal presence since 1994.

Impact of capturing and storing all source documents as digital image files:
Major Impact. We do not capture and store this information today. Requires new equipment, possible office layout modifications, major programming, and database development.
Impact of subjecting each applicant to mandatory facial image capture:
No impact.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Major Impact (costs, state law)
Impact of creating a fraud document training program:
Minimal Impact. We already have fraud document training.
Impact of ensuring physical security at driver's license/ID card production facilities:
Probable minimal impact.
Impact of requiring employees to clear appropriate security clearance requirements:
Unable to determine. It is unclear what "producing cards" or "appropriate security clearance" mean.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Major impact. California currently has pending legislation concerning this topic. Governor has stated that he would not sign this into law at this point. Awaiting federal regulations on HR 1268.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Costs for personnel and IT programming changes (for renewal applicants).
Impact of amending the ID expiration date to show that it is "different than usual:"
Minimal.

Colorado

Colorado Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

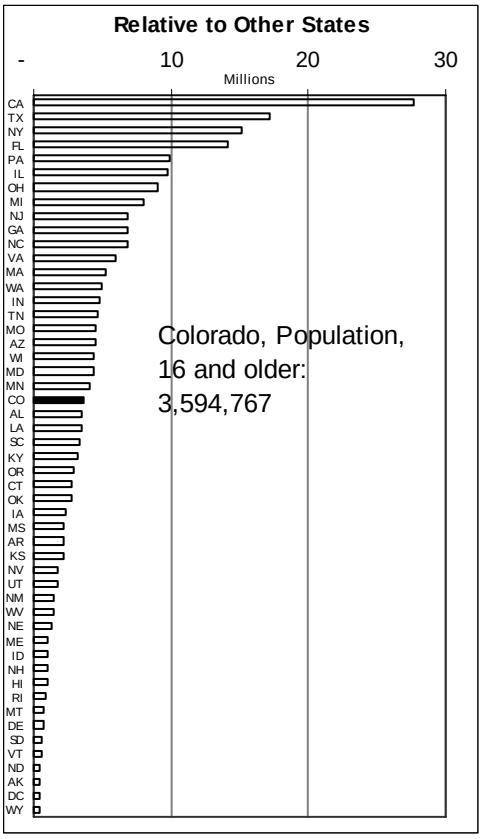
Annual Driver's License Issuances:	1,258,303
Annual ID Card Issuances:	110,987
Total Licenses and IDs on File:	3,971,000
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	Yes, not specified; 10 yrs
Total Number of Issuing Sites:	56
Total Number of Full-Time Employees:	162.2 field, 25.5 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	No min
Contract Cost per Card:	$2.61

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	No	
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	1,062,436	110,987	***1,173,423***
Renewal (reissuance of a record on file)	--	--	*--*
Duplicate (including replacements and name/address changes)	--	--	*--*
Reinstatements (reissuance for compliance received)	59,364	--	***59,364***
Other	136,503	--	***136,503***
Total	***195,867***	***110,987***	***306,854***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: Unknown	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

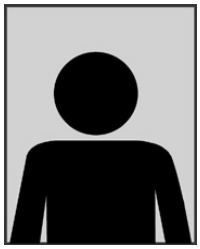
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Potential Impact – Currently, the image, fingerprint and SSN are confirmed for renewal applicants presenting their license/ID card. However, because customers must renew if they have lost, had stolen or mutilated their Colorado license or if they are changing their name, in addition to the verification of their image, fingerprint and SSN, they must also present identification documents to re-establish their identity. Impact would be on office procedures, customer wait time and, possibly, cost to inform the public of the new renewal procedures.
Impact of resolving social security number discrepancies:
No impact – Currently in compliance
Impact of ensuring that another state has not issued a DL to applicant:
Potential Impact – A system for this type of verification is not currently on-line. If the customer has a license to surrender, currently only a state-to-state check is possible. Only restraint actions and/or commercial driver license information shows on the existing national system
Impact of maintaining a database containing DL data and driver history:
No impact – currently in compliance
Impact of providing other states with access to the database of drivers and driver histories:
Potential impact – Colorado is in compliance with the existing requirements of posting restraint actions, per the Compact Law, and CDL information per the Federal Safety Act, however, we do not allow direct access, by other states, to our database. Modifications could have a fiscal impact and vendor impact if access is to include photos and signatures.
Impact of Social Security Online Verification (SSOLV) Requirement:
No impact – currently in compliance

Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
No impact – currently in progress
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Not currently under consideration
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
NA
Impact of requiring legal presence by applicants:
No impact – currently in compliance
Impact of capturing and storing all source documents as digital image files:
Potential impact – cost of scanners, office procedure changes, programming modifications (vendor and IT). Impact would also be on customer wait times
Impact of subjecting each applicant to mandatory facial image capture:
Potential impact – Only first-time applicants are subjected to the facial recognition (FR) process. Impact would be on IT for programming and, possibly, modifications by the vendor. The existing staff of the Investigations Section is not equipped to handle the expanded workload presented by this requirement.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Currently, verification consists of contacting the issuing agency by telephone to verify any questionable documents. Items are also faxed to the issuing agency for verification.
Impact of creating a fraud document training program:
No impact – Currently in compliance. Colorado uses AAMVA's FDR (Fraudulent Document Recognition) training program.
Impact of ensuring physical security at driver's license/ID card production facilities:
No impact – currently in compliance
Impact of requiring employees to clear appropriate security clearance requirements:
Potential impact – Applicants considered for employment are subjected to a criminal background check, only. Fiscal impact is involved with a security clearance.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No impact – State law does not allow issuance to applicants who cannot prove lawful presence.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
No impact – Currently in compliance
Impact of amending the ID expiration date to show that it is "different than usual:"
Potential impact – modification required to ID card processing map in DLS (IT) and to the physical ID card to allow variable text on the back indicating TEMPORARY ONLY.

Connecticut

Connecticut Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

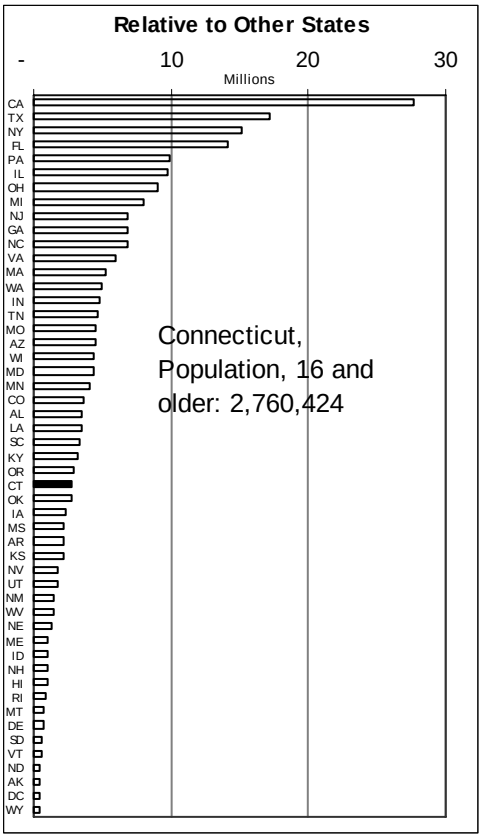
Annual Driver's License Issuances:	720,000
Annual ID Card Issuances:	60,000
Total Licenses and IDs on File:	2,667,215
Machine Readable:	2D barcode
Maintain Source Documents:	Hard, 4 yrs
Total Number of Issuing Sites:	39
Total Number of Full-Time Employees:	350 field, NA HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	No min
Contract Cost per Card:	$1.61

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV, batch
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	100,000	60,000	***160,000***
Renewal (reissuance of a record on file)	500,000	--	***500,000***
Duplicate (including replacements and name/address changes)	74,000	--	***74,000***
Reinstatements (reissuance for compliance received)	40,000	--	***40,000***
Other	6,000	--	***6,000***
Total	***720,000***	***60,000***	***780,000***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: 200	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: Yes

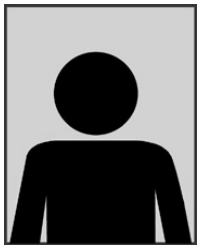
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
May have impact on privatized renewal stations (AAA)No- No Driver's system
Impact of resolving social security number discrepancies:
No system available to access duplicate SS# in other states. CTDMV can only verify duplicate SS# for Connecticut residents.
Impact of ensuring that another state has not issued a DL to applicant:
No- No DriverS system
Impact of maintaining a database containing DL data and driver history:
Currently resides in flat files
Impact of providing other states with access to the database of drivers and driver histories:
Current information systems limitations
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently in use
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Will commence work on MOU
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Do not currently use
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Intend to meet federal criteria
Impact of requiring legal presence by applicants:

Impact of capturing and storing all source documents as digital image files:
No. CT DMV currently does not have such a system
Impact of subjecting each applicant to mandatory facial image capture:
Yes
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Verification of Birth Certificates must be addressed somehow in the regulations.
Impact of creating a fraud document training program:
Use AAMVA system
Impact of ensuring physical security at driver's license/ID card production facilities:
Yes
Impact of requiring employees to clear appropriate security clearance requirements:
Do background checks. Regulations must define "security clearance"
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
NA
Process/Formula used to determine the number of employees necessary to perform specific tasks:
Staff is cross-trained so we add employees to licensing as needed, but we have no formula for determining staffing needs, other than wait-times.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Need enabling legislation
Impact of amending the ID expiration date to show that it is "different than usual:"
Need enabling legislation

Delaware

Delaware Driver's License



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Full Legal Name
Date of Birth
Gender
Card Number
Digital Photograph
Address
Signature

Key Statistics:

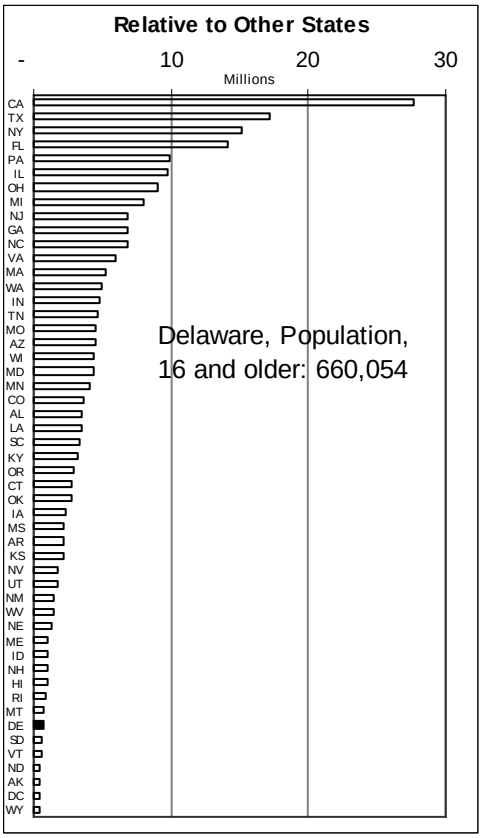
Annual Driver's License Issuances:	787,468
Annual ID Card Issuances:	150,000
Total Licenses and IDs on File:	860,406
Machine Readable:	2D barcode
Maintain Source Documents:	Digital, 7 yrs
Total Number of Issuing Sites:	4
Total Number of Full-Time Employees:	46 field, NA HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	No min
Contract Cost per Card:	$1.55

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* No answer

Source Documents to Verify Identification: 5



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	12,468	--	***12,468***
Renewal (reissuance of a record on file)	575,000	100,000	***675,000***
Duplicate (including replacements and name/address changes)	200,000	50,000	***250,000***
Reinstatements (reissuance for compliance received)	--	--	***--***
Other	--	--	***--***
Total	***787,468***	***150,000***	***937,468***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes, Amish only	Annual issuance total for documents without a picture: no answer	Alternative issuance method: No	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

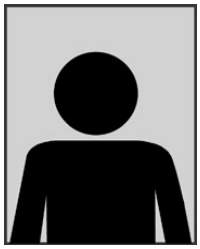
Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Not specified
Impact of resolving social security number discrepancies:
DMV will be required to coordinate with Social Security office on notification, identify procedures and provide the ability to deny when applicant has been determined as non-compliant.
Impact of ensuring that another state has not issued a DL to applicant:
No Impact – Delaware presently conduct CDLIS and PDPS search on all applicants.
Impact of maintaining a database containing DL data and driver history:
No impact to Delaware – DMV has an established database.
Impact of providing other states with access to the database of drivers and driver histories:
No impact to Delaware – CDLIS/PDPS/SSOLV communications has been established.
Impact of Social Security Online Verification (SSOLV) Requirement:
SSOLV implemented, but will have to incorporate mis-matches within denial system.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
SAVE will be incorporated with Delaware's license/ID denial. Delaware will utilize PROOFS application to validate documents b presented as proof of citizenship.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
No cost estimate provided for DEERS because it has not been implemented.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Associated cost for issuing new card: $6,000.00
Impact of requiring legal presence by applicants:
Pass legislation requiring Legal Presence.
Impact of capturing and storing all source documents as digital image files:
Equipment, training, installation, and maintenance agreement
Impact of subjecting each applicant to mandatory facial image capture:
DDL application utilizing AAMVA standards and capturing photo on all transactions
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Not specified
Impact of creating a fraud document training program:
Delaware will utilize existing Fraudulent Document Training program. All staff will be required to either obtain certification or re-certification.
Impact of ensuring physical security at driver's license/ID card production facilities:
Examine management procedures and ensure secure supervision. Estimate $120,000
Impact of requiring employees to clear appropriate security clearance requirements:
Conduct background checks on all DMV personnel. Estimate $20,000
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
NA
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Associated cost for issuing new card: $6,000.00
Impact of amending the ID expiration date to show that it is "different than usual:"
Modify license/ID programs to establish limits on expiration date to ensure consistency with documentation. Modify inquiry to identify those licenses/ID on a limited term bases. Modify DELJIS/State Police.
Establish reporting.

District of Columbia Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

District of Columbia

Key Statistics:

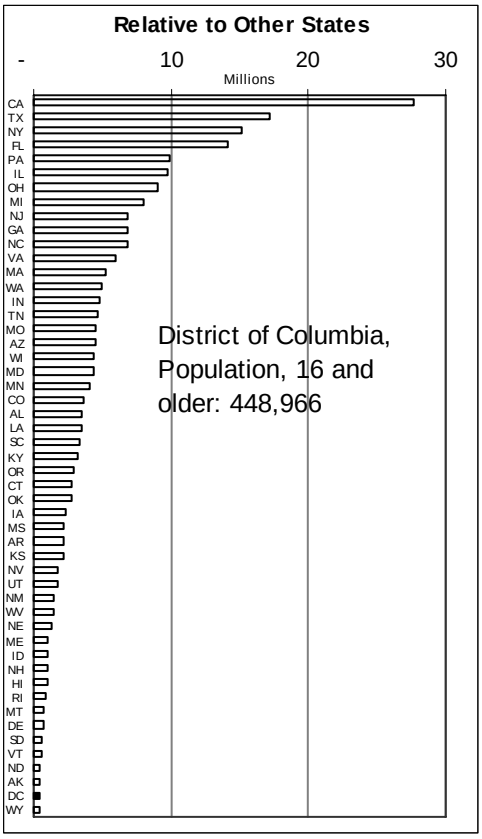
Annual Driver's License Issuances:	136,352
Annual ID Card Issuances:	27,795
Total Licenses and IDs on File:	399,829
Machine Readable:	1D, 2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	4
Total Number of Full-Time Employees:	78 field, 9 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	15
Contract Cost per Card:	$3.11

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	database
Military Documents	No	

Document retention methods to change under Real ID*: Yes*

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	59,881	11,911	***71,792***
Renewal (reissuance of a record on file)	20,702	6,985	***27,687***
Duplicate (including replacements and name/address changes)	50,341	8,899	***59,240***
Reinstatements (reissuance for compliance received)	5,428	--	***5,428***
Other	--	--	***--***
Total	***136,352***	***27,795***	***164,147***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes, absentee licenses	Annual issuance total for documents without a picture: no answer	Alternative issuance method: Yes	Fraud document training program currently being used: No	Number of people involved in the driver's license issuance process: 120	Number of employees involved in issuance of hybrid cards (if applicable): 120

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 350 DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

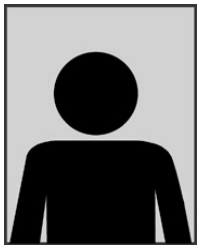
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Need clearer understanding of requirements. Will presumably have to apply "new applicant" standard on first renewal following Real ID effective date, then image capture and storage with driver record should allow exception processing thereafter
Impact of resolving social security number discrepancies:
Requires expansion of internal "Service Integrity" Unit
Impact of ensuring that another state has not issued a DL to applicant:
Hopefully via AAMVANet/PDPS – expansion/modification
Impact of maintaining a database containing DL data and driver history:
Requires automated linkage to court system on violations, and update of driver records, point assignment system
Impact of providing other states with access to the database of drivers and driver histories:
Hopefully via AAMVANet/PDPS enhancements/modification
Impact of Social Security Online Verification (SSOLV) Requirement:
Already compliant
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Need to know specifics of MOU/Requirements
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Need specifics on requirements– requires new system interface
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Need specifics in order to determine
Impact of requiring legal presence by applicants:
Already have requirement for Social Security Number which is de facto legal presence standard. Will need local policy decision re non-ID driver's license for local use.
Impact of capturing and storing all source documents as digital image files:
Will move to a front-end of process image capture at each work station

Impact of subjecting each applicant to mandatory facial image capture:
Will move to a front-end of process image capture at each work station
Impact of using an electronic, online or automated authentication system for birth certificate verification:
No idea what will be required. If incrementally via 3rd party software like Viisage, etc. will require one-time system costs and lesser on-going staff costs. If through completely manual interaction directly with each jurisdiction, much higher on-going staffing costs.
Impact of creating a fraud document training program:
Will required updates and enhancements based on specifics of regulations and requirements. Key need is access to specimen documents and fraud samples for hands-on training. Will need computer-based and classroom based materials
Impact of ensuring physical security at driver's license/ID card production facilities:
Will require enhanced inventory control system, facility modifications, etc. Will need specifics on license feature requirements to determine if a centralized versus decentralized issuance.
Impact of requiring employees to clear appropriate security clearance requirements:
Will have to address local legislation/union contracts re mandatory background checks for all employees. Will need enhanced contract provisions for some service providers.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
To be determined via local policy process
Process/Formula used to determine the number of employees necessary to perform specific tasks:
We are in the process of drafting standards for our employees. Our computer system generates reports that reflect transaction time and our customer base. This information is being used to determine our staffing needs. We may be a little different from other jurisdictions because our employees are cross-trained to service customers obtaining any DMV related service for vehicle, driver, medical, tickets and insurance. (one-stop). Therefore, determining our staffing needs for only driver license issuance requires us to heavily rely on reports that reflect our customer base. We will keep this in mind as we finalize our standards which will ultimately determine our staffing needs. In addition, we have to manually assess the additional transaction time required for check-in and reviewing documentation which is not captured from the computer system.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Currently done, but will require creation of new data field to track in system
Impact of amending the ID expiration date to show that it is "different than usual:"
Depending on other general specifications, may require separate card type if so est. $50-100,000 system design changes

Florida

Florida Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

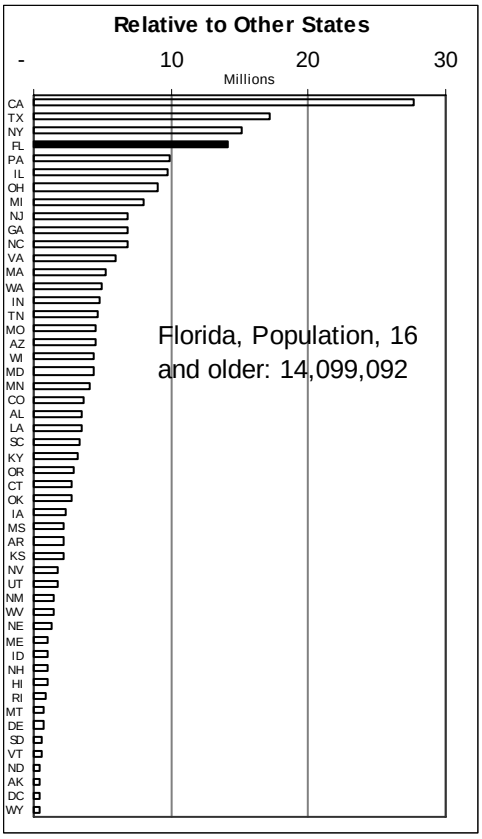
Annual Driver's License Issuances:	5,811,317
Annual ID Card Issuances:	815,051
Total Licenses and IDs on File:	19,672,680
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	No answer
Total Number of Issuing Sites:	No answer
Total Number of Full-Time Employees:	No answer
Issuance Process:	Central
Maximum Valid Card Issuance Term:	No answer
Youngest Card Issuance Age:	No answer
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify
Social Security Number	No answer
Birth Certificate	No answer
Authenticate Address	No answer
Military Documents	No answer

Document retention methods to change under Real ID*:* No answer

Source Documents to Verify Identification: No answer



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	952,974	454,766	***1,407,740***
Renewal (reissuance of a record on file)	2,118,091	163,554	***2,281,645***
Duplicate (including replacements and name/address changes)	2,110,384	196,731	***2,307,115***
Reinstatements (reissuance for compliance received)	629,868	--	***629,868***
Other	--	--	**--**
Total	***5,811,317***	***815,051***	***6,626,368***

Issuance Process

Issue license or identification documents without applicant's photograph: No answer	Annual issuance total for documents without a picture: NA	Alternative issuance method: No answer	Fraud document training program currently being used: No answer	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

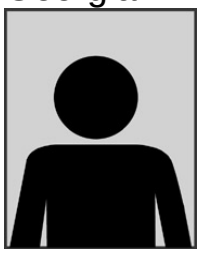
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: No answer	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No answer

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
In Standard Operating Procedure
Impact of resolving social security number discrepancies:
In Standard Operating Procedure
Impact of ensuring that another state has not issued a DL to applicant:
Automated Standard Operating Procedure
Impact of maintaining a database containing DL data and driver history:
In compliance
Impact of providing other states with access to the database of drivers and driver histories:
Available through NLETS and NDR
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently in use
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Currently in use
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Currently not in use
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Not applicable
Impact of requiring legal presence by applicants:
Required by statute
Impact of capturing and storing all source documents as digital image files:
Currently we scan and retain documents
Impact of subjecting each applicant to mandatory facial image capture:
Required by statute
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Currently not in use
Impact of creating a fraud document training program:
Used programs through DHS, AAMVA, and internal
Impact of ensuring physical security at driver's license/ID card production facilities:
Security systems in place
Impact of requiring employees to clear appropriate security clearance requirements:
Background checks and fingerprinting in current application
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
At this time, we have no plans to implement this alternative
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Currently 2 year Maximum
Impact of amending the ID expiration date to show that it is "different than usual:"
In compliance with no design difference

Georgia

Georgia Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

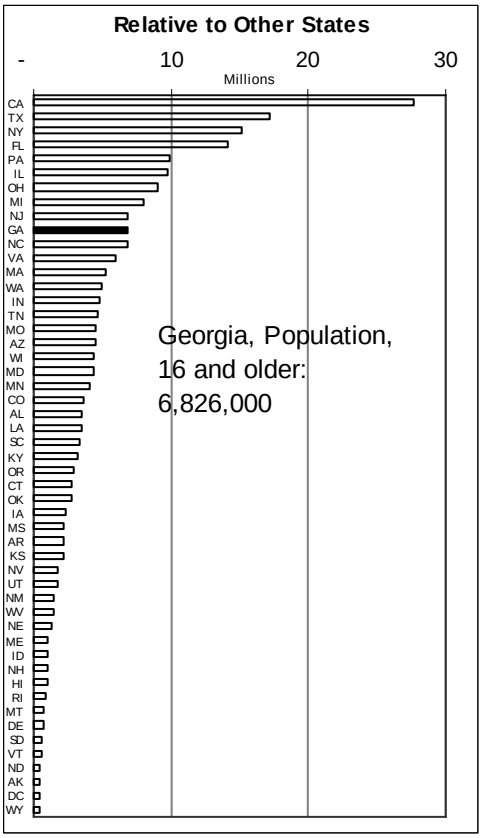
Annual Driver's License Issuances:	2,166,826
Annual ID Card Issuances:	227,637
Total Licenses and IDs on File:	6,799,098
Machine Readable:	2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	60
Total Number of Full-Time Employees:	493 field, 279 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	10
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.18

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV, batch
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	214,324	227,637	***441,961***
Renewal (reissuance of a record on file)	1,743,758	--	***1,743,758***
Duplicate (including replacements and name/address changes)	--	--	***--***
Reinstatements (reissuance for compliance received)	193,879	--	***193,879***
Other	14,865	--	***14,865***
Total	***208,744***	***227,637***	***436,381***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

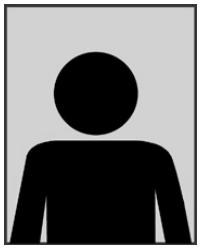
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
If verification is required at each renewal, automated renewal programs will cease. Delay to verify documents may leave drivers unable to drive.
Impact of resolving social security number discrepancies:
The states have no ability to resolve a problem that exists at the Social Security Administration.
Impact of ensuring that another state has not issued a DL to applicant:
Insufficient existing connectivity, and no funding to create such connectivity. Delay to customers.
Impact of maintaining a database containing DL data and driver history:
Already in place
Impact of providing other states with access to the database of drivers and driver histories:
Requires additional programming for all states with no additional funding or resources.
Impact of Social Security Online Verification (SSOLV) Requirement:
Already in use
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
This will require substantial programming.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Will require substantial programming
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Georgia has not reached a conclusion on this item.
Impact of requiring legal presence by applicants:
Already in place
Impact of capturing and storing all source documents as digital image files:
Georgia plans to include scanning of source documents in its new RFP. If we are required to scan the documents and images of individuals who are not given licenses or ID cards, this will have a tremendous fiscal impact and affect the amount of time citizens spend in license facilities.
Impact of subjecting each applicant to mandatory facial image capture:
This is bad customer service for applicants who are denied a license because they spend extra time in the center. Also, this requirement will delay customers who are eligible for a license who are waiting in line behind the customer who gets nothing.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
This will require substantial programming by Georgia and by the vital records units in every state. Unfunded mandate.
Impact of creating a fraud document training program:
Already in place.
Impact of ensuring physical security at driver's license/ID card production facilities:
Some measures already in place; no funding to expand.
Impact of requiring employees to clear appropriate security clearance requirements:
Already in place.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Georgia law will contain an identical provision effective July 1, 2006. Programming has been completed.
Impact of amending the ID expiration date to show that it is "different than usual:"
Some similar messages are already required by Georgia law. However, technology may not allow for the inclusion of multiple messages.

Guam

Guam Driver's License



-- Full Legal Name
-- Date of Birth
-- Gender
-- Card Number
-- Digital Photograph
-- Address
-- Signature

--

Key Statistics:

Annual Driver's License Issuances:	--
Annual ID Card Issuances:	--
Total Licenses and IDs on File:	--
Machine Readable:	--
Maintain Source Documents:	--
Total Number of Issuing Sites:	--
Total Number of Full-Time Employees:	--
Issuance Process:	--
Maximum Valid Card Issuance Term:	--
Youngest Card Issuance Age:	--
Contract Cost per Card:	--

Accepted Verification Documents:

	Verify
Social Security Number	--
Birth Certificate	--
Authenticate Address	--
Military Documents	--

Document retention methods to change under Real ID*:* --

Source Documents to Verify Identification: --

Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	**--**	**--**	**--**

Issuance Process

Issue license or identification documents without applicant's photograph: --	Annual issuance total for documents without a picture: --	Alternative issuance method: --	Fraud document training program currently being used: --	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

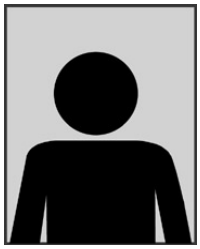
Temporary DL/ID to temporary immigrants for a term based on immigration status: --	Corresponding ID expiration date and immigration forms expiration date: --	Number of temporary immigrant DL/IDs issued annually: --	Use of Systematic Alien Verification for Entitlements (SAVE) system: --	Electronic verification of the legal presence of applicants: --

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
--
Impact of resolving social security number discrepancies:
--
Impact of ensuring that another state has not issued a DL to applicant:
--
Impact of maintaining a database containing DL data and driver history:
--
Impact of providing other states with access to the database of drivers and driver histories:
--
Impact of Social Security Online Verification (SSOLV) Requirement:
--
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
--
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
--
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
--
Impact of requiring legal presence by applicants:
--
Impact of capturing and storing all source documents as digital image files:
--
Impact of subjecting each applicant to mandatory facial image capture:
--
Impact of using an electronic, online or automated authentication system for birth certificate verification:
--
Impact of creating a fraud document training program:
--
Impact of ensuring physical security at driver's license/ID card production facilities:
--
Impact of requiring employees to clear appropriate security clearance requirements:
--
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
--
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
--
Impact of amending the ID expiration date to show that it is "different than usual:"
--

Hawaii

Hawaii Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

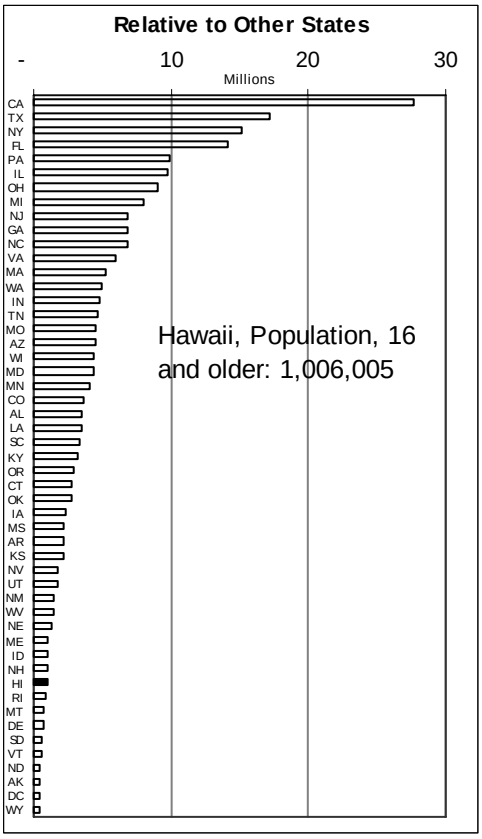
Annual Driver's License Issuances:	327,115
Annual ID Card Issuances:	68,000
Total Licenses and IDs on File:	1,203,871
Machine Readable:	2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	24
Total Number of Full-Time Employees:	156 field, 9 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	3
Contract Cost per Card:	$2.45

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV, DL only
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*: Yes*

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	86,279	48,800	***135,079***
Renewal (reissuance of a record on file)	173,541	19,200	***192,741***
Duplicate (including replacements and name/address changes)	67,295	--	***67,295***
Reinstatements (reissuance for compliance received)	--	--	***--***
Other	--	--	***--***
Total	***327,115***	***68,000***	***395,115***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: No answer	Alternative issuance method: Yes	Fraud document training program currently being used: No	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

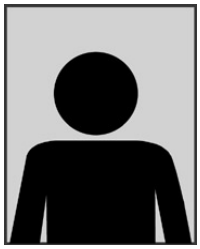
Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Need new system – facial recognition or fingerprint comparison to retrieve record of renewing applicant.
Impact of resolving social security number discrepancies:
Applicants with duplicate SSN are presently being referred to SSA for resolution. No DL or ID card should be issued until SSA RESOLVES duplication issue.
Impact of ensuring that another state has not issued a DL to applicant:
Need access – cost unknown.
Impact of maintaining a database containing DL data and driver history:
Violation history is a separate database. Need computer programming. Cost unknown.
Impact of providing other states with access to the database of drivers and driver histories:
Need change in computer programming. Cost unknown.
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently in use
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Will require additional programming and change in law. Cost unknown at this time.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Will require additional programming and change in law. Cost unknown at this time.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Will need to work with DL/ID card vendor. Cost unkown (sic).
Impact of requiring legal presence by applicants:
Need change in law.
Impact of capturing and storing all source documents as digital image files:
Hawaii does not have scanners. Additional unknown costs.
Impact of subjecting each applicant to mandatory facial image capture:
Presently being accomplished. Need definition of "facial image" – i.e. does it include forehead and hair, etc.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Will require additional programming and change in law. Cost unknown at this time.
Impact of creating a fraud document training program:
Need to bring "train-the-trainer" program to the State so that an appropriate number of trainers can be certified. Cost unknown.
Impact of ensuring physical security at driver's license/ID card production facilities:
No issue.
Impact of requiring employees to clear appropriate security clearance requirements:
Need definition of "appropriate security clearance". All employees currently undergo local background checks.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Will require additional programming and change in law. Cost unknown at this time.
Impact of amending the ID expiration date to show that it is "different than usual:"
Will require additional programming and change in law. Cost unknown at this time.

Idaho Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Idaho

Key Statistics:

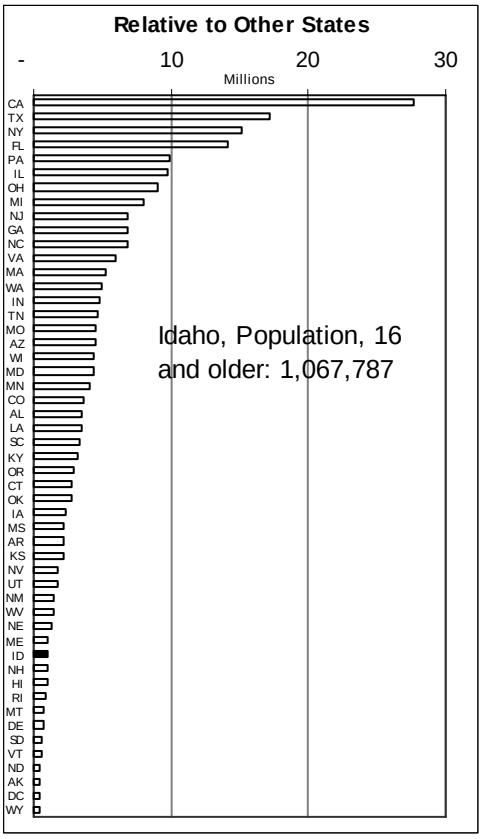
Annual Driver's License Issuances:	378,000
Annual ID Card Issuances:	63,500
Total Licenses and IDs on File:	1,035,000
Machine Readable:	2D barcode
Maintain Source Documents:	Both, 7 yrs
Total Number of Issuing Sites:	56
Total Number of Full-Time Employees:	220 field, 11 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	8
Youngest Card Issuance Age:	0
Contract Cost per Card:	$2.47

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 9



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	110,000	32,000	***142,000***
Renewal (reissuance of a record on file)	210,000	5,500	***215,500***
Duplicate (including replacements and name/address changes)	43,000	6,000	***49,000***
Reinstatements (reissuance for compliance received)	15,000	--	***15,000***
Other	--	20,000	***20,000***
Total	***378,000***	***20,000***	***398,000***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 20,000 Permits	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

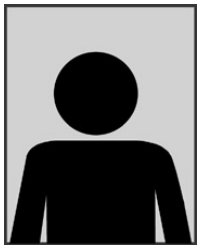
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
No impact identified
Impact of resolving social security number discrepancies:
No impact identified
Impact of ensuring that another state has not issued a DL to applicant:
26K Programming development More if electronic verification is not possible
Impact of maintaining a database containing DL data and driver history:
No impact identified
Impact of providing other states with access to the database of drivers and driver histories:
No impact identified
Impact of Social Security Online Verification (SSOLV) Requirement:
Developed and in place
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
26K programming development (for online access)
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
26K programming development
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
30K
Impact of requiring legal presence by applicants:
Legislation to clarify
Impact of capturing and storing all source documents as digital image files:
800K initial cost, plus ongoing maintenance and equipment replacement.
Impact of subjecting each applicant to mandatory facial image capture:
There will be development cost. The amount is unknown at this time.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
26K programming development
Impact of creating a fraud document training program:
No impact identified
Impact of ensuring physical security at driver's license/ID card production facilities:
No impact identified
Impact of requiring employees to clear appropriate security clearance requirements:
No impact identified
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
60K programming development cost
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Legislation and Rule Changes. Development cost of 70K
Impact of amending the ID expiration date to show that it is "different than usual:"
Card development costs $30K

Illinois

Illinois Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

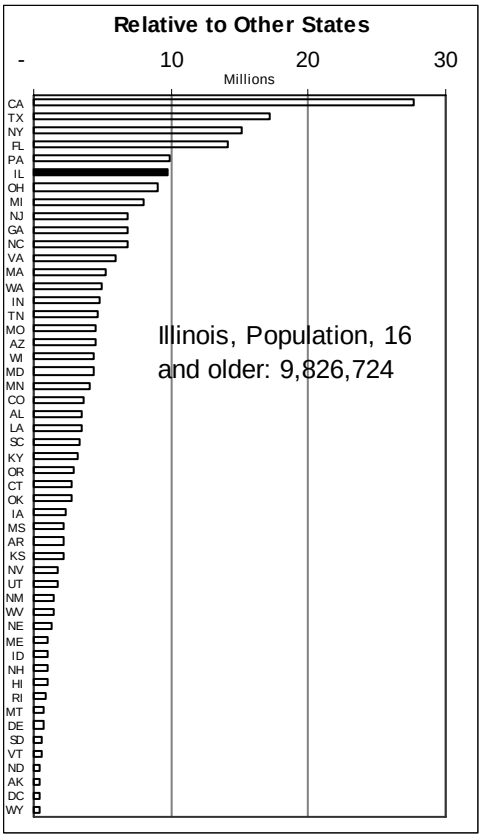
Annual Driver's License Issuances:	3,069,132
Annual ID Card Issuances:	897,312
Total Licenses and IDs on File:	11,800,989
Machine Readable:	1D, 2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	135
Total Number of Full-Time Employees:	949 field, 18 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.29

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	517,061	334,424	***851,485***
Renewal (reissuance of a record on file)	1,664,462	237,792	***1,902,254***
Duplicate (including replacements and name/address changes)	820,494	325,096	***1,145,590***
Reinstatements (reissuance for compliance received)	6,244	--	***6,244***
Other	60,871	--	***60,871***
Total	***3,069,132***	***897,312***	***3,966,444***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 457 DL, 262,722 Permits	Alternative issuance method: Yes	Fraud document training program currently being used: Dept. designed training program	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 2,868 DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

Comments from Survey Delivered to Motor Vehicle Branches

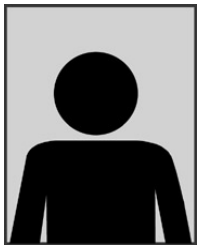
Impact of establishing a procedure to verify applicant information during renewals:
Unknown right now – could affect time to process renewals, ability to do them instantly OTC, and may affect ability to have mail and Internet Safe Driver Program. Potentially huge operation impact – the bulk of our applications are renewals each year.
Impact of resolving social security number discrepancies:
SSOLV does not indication if SSN issued to another. Not all states require SSN. At a minimum, this will require linkage of SOS database with ALL DMV databases to do checks.
Impact of ensuring that another state has not issued a DL to applicant:
No answer
Impact of maintaining a database containing DL data and driver history:
SOS databases contain all this but records are not linked.
Impact of providing other states with access to the database of drivers and driver histories:
Need to assess needed state law to authorize sharing of data including SSN. Might include photo exchanges.
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently in use
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Illinois has signed an MOU for SAVE (eff. 10/04) and already verifies immigration documents in TVDL program only, for those no SSN, not for all non-citizens. ONLY AT 6 SITES. (SAVE is costly; not built into our system to ensure its usage like SSOLV but be—fraud risk; many delays in responses from DHS.)
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Illinois has not looked at DEERS, need to first identify if it is going to be useful for a significant enough part of population to warra
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
No answer

Impact of requiring legal presence by applicants:
Illinois has no legal presence requirement in Illinois law, except for TVDL applicants ineligible for SSNs. Law change required, major overhaul in eligibility criteria to add it. If Illinois needs to redefine regular DL/ID eligibility to tie it to citizenship or permanent residency instead of to SSN, there could potentially be tens or likely hundreds of thousands of non-citizens with SSNs who will now have to get TVDL instead, with DL tied to authorized length of stay. Full legal review needed of this, Sanchez decree which currently prohibits us from requesting immigration documents for any applicant but TVDL. Need to evaluate potentially effects on reciprocity agreements with other countries.

Impact of capturing and storing all source documents as digital image files:
Will need to electronically scan all identify source documents at the counter in facilities, have network capacity to transmit to central electronic storage, and have them be retrievable and able to be electronically shared.
Impact of subjecting each applicant to mandatory facial image capture:
Not valide (sic) without photo/signature. Other state law changes on photo requirement possible. Religious exemptions, military.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
There is no local, state or national automated system for verification of U.S. issued birth certificates, and certainly no automated system for foreign birth certificate verification. Illinois does not plan to participate in EVVE but design its own system
Impact of creating a fraud document training program:
Illinois does very limited training currently. If AAMVA curriculum is required, it is 12 hours before working and annual re-training.
Impact of ensuring physical security at driver's license/ID card production facilities:
Locations currently include facilities, moviles (sic), and two warehouses. Likely work to be done, potential costs for locked areas or cabinents (sic) safes, etc.
Impact of requiring employees to clear appropriate security clearance requirements:
DHS must define clearance requirements. Effect on personnel policies, job requirements, or titles?
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
MAJOR operational impact of shifting many non-citizens with SSNs into TVDL program, and then limiting many TVDLs to one year instead of three years. Must change law and program For TVDLs to be 1 year instead of 3 for those with no definite end of authorized stay.
Impact of amending the ID expiration date to show that it is "different than usual:"
No answer

Indiana

Indiana Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

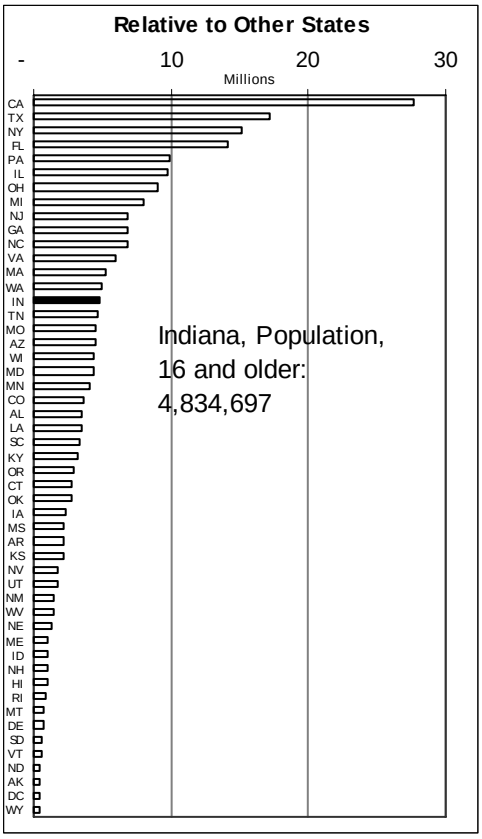
Annual Driver's License Issuances:	1,183,624
Annual ID Card Issuances:	223,794
Total Licenses and IDs on File:	5,639,800
Machine Readable:	2D barcode
Maintain Source Documents:	Not specified, 10 yrs
Total Number of Issuing Sites:	150
Total Number of Full-Time Employees:	1200 field, NA HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.32

Accepted Verification Documents:

	Verify	
Social Security Number	No	
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	49,090	55,768	***104,858***
Renewal (reissuance of a record on file)	1,019,755	164,414	***1,184,169***
Duplicate (including replacements and name/address changes)	114,779	3,612	***118,391***
Reinstatements (reissuance for compliance received)	--	--	***--***
Other	--	--	***--***
Total	**1,183,624**	**223,794**	***1,407,418***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 8,379 DL, 46,034 Permits	Alternative issuance method: Yes	Fraud document training program currently being used: No	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

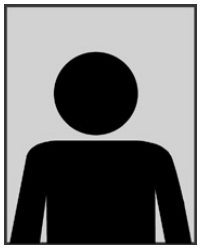
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Currently in place depending on what is finally mandated
Impact of resolving social security number discrepancies:
Currently a policy in place. If it does not comply with a standard established later, development and implementation of new policy.
Impact of ensuring that another state has not issued a DL to applicant:
No answer
Impact of maintaining a database containing DL data and driver history:
Currently in place.
Impact of providing other states with access to the database of drivers and driver histories:
Currently being developed with the new STARS system.
Impact of Social Security Online Verification (SSOLV) Requirement:
Not currently offered. Needs to be added to our IT project list. Programming requirements are substantial. Will probably move I relatively instant issuance to having to mail documents to them. License fees may need to be revised to cover increased postal
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Currently able to do so with our CVP process.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Not currently offered. Needs to be added to our IT project. list. Programming requirements are substantial. Will probably move from relatively instant issuance to having to mail documents to them. License fees may need to be revised to cover increased p

Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Not an issue at this time. Will revise as necessary as standards are set. Requires programming time, passage of legislation and design of unique document.
Impact of requiring legal presence by applicants:
Currently in place.
Impact of capturing and storing all source documents as digital image files:
Substantial Programming and hardware costs. In our current IT plan to move as quickly as possible to achieve this information and digital signatures, regardless of the Real ID status.
Impact of subjecting each applicant to mandatory facial image capture:
Will need to pass legislation as we have exemptions for religious reasons.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Not currently offered. Needs to be added to our IT project. list. Programming requirements are substantial. Will probably move Indiana from relatively instant issuance to having to mail documents to them. License fees may need to be revised to cover increased postal costs.
Impact of creating a fraud document training program:
Currently in one place and have an enhanced fraudulent document recognition training program in the works with AAMVA and our Investigations dept.
Impact of ensuring physical security at driver's license/ID card production facilities:
Currently in place.
Impact of requiring employees to clear appropriate security clearance requirements:
Currently in place but will need to revise if standards do not match ours.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Currently under review.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Not currently offered. Needs to be added to our IT project list. Requires programming time, passage of legislation and design of unique document.
Impact of amending the ID expiration date to show that it is "different than usual:"
Not currently offered. Needs to be added to our IT project list. Programming time and design of unique document.

Iowa

Iowa Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

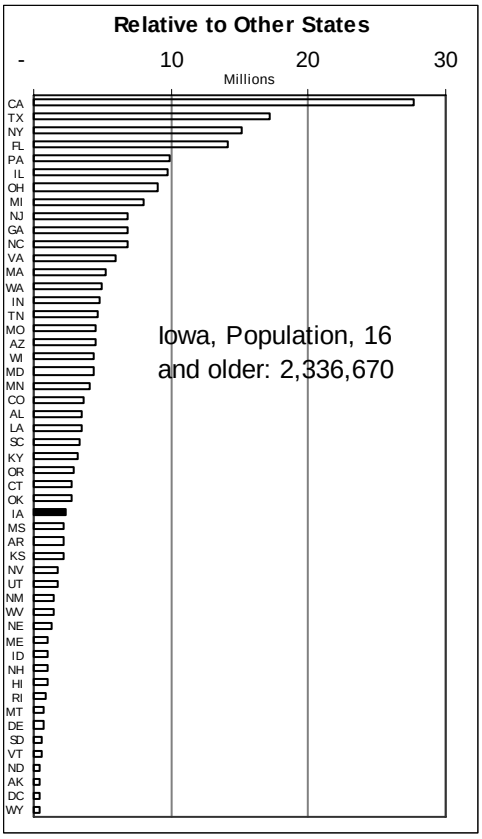
Annual Driver's License Issuances:	919,153
Annual ID Card Issuances:	85,306
Total Licenses and IDs on File:	2,281,741
Machine Readable:	2D barcode
Maintain Source Documents:	No answer
Total Number of Issuing Sites:	No answer
Total Number of Full-Time Employees:	No answer
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	No answer
Youngest Card Issuance Age:	No answer
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify
Social Security Number	No answer
Birth Certificate	No answer
Authenticate Address	No answer
Military Documents	No answer

Document retention methods to change under Real ID*:* No answer

Source Documents to Verify Identification: No answer



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	66,142	15,457	***81,599***
Renewal (reissuance of a record on file)	620,440	46,351	***666,791***
Duplicate (including replacements and name/address changes)	232,571	23,498	***256,069***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***919,153***	***919,153***	***1,838,306***

Issuance Process

Issue license or identification documents without applicant's photograph: No answer	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: No answer	Number of people involved in the driver's license issuance process: 551	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No answer	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No answer

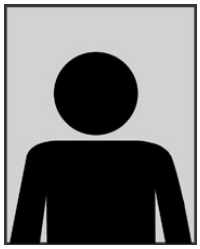
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
We need more information about requirements
Impact of resolving social security number discrepancies:
Minor. We're going to send the customer to the Social Security Administration to clear up the discrepancy
Impact of ensuring that another state has not issued a DL to applicant:
Minor
Impact of maintaining a database containing DL data and driver history:
We currently have a data base that contains all of this information.
Impact of providing other states with access to the database of drivers and driver histories:
Minor.
Impact of Social Security Online Verification (SSOLV) Requirement:
Implemented
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
We think we can implement easily with the existing external web access, but would prefer to have it fully integrated (sic) within our system. That will take IT staff time and money. Transaction fees seem high.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
not enough known to assess an impact
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Minimal. Could require some change to our photo licensing software.
Impact of requiring legal presence by applicants:
We've required proof of legal presence/citizenship for new licensees since 2002. There will be some impact on those renewing who's legal presence/citizenship has never been verified.

Impact of capturing and storing all source documents as digital image files:
We currently have this capability
Impact of subjecting each applicant to mandatory facial image capture:
Our new DL/Photo Licensing system allows for this.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Major. Even though we participate in EVVER, and it functions well, we don't anticipate the states' Vital Records agencies will be able to make the needed database/system upgrades within 3 years.
Impact of creating a fraud document training program:
None.
Impact of ensuring physical security at driver's license/ID card production facilities:
We need information on minimum requirements
Impact of requiring employees to clear appropriate security clearance requirements:
We need more information on minimum requirements. If it's kept at the level of a criminal history background check, it should be little impact. If it requires an in-depth security clearance review of the type used for prospective law enforcement employees within our department it could be very time consuming. In either case we believe most of the costs will be associated with law enforcement personnel already on the state/local payroll.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Minor
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No formula. Time studies are done to determine the average time it takes to complete specific f unction. The 18 participating County Treasurers determine their own staffing needs independently. For the 18 state run facilities we consider the staff time required for each function and the activity levels for each location. These two factors are taken into consideration to determine the level of staffing needed at each location. We staff for peak periods and utilize off peak staff time for decentralized processing of driver records.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Will require a legislative change reducing term of issuance from 2 to 1 yr for person with indefinite end of stay.
Impact of amending the ID expiration date to show that it is "different than usual:"
We need guidelines. It may require some change to our photolicensing software.

Kansas

Kansas Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

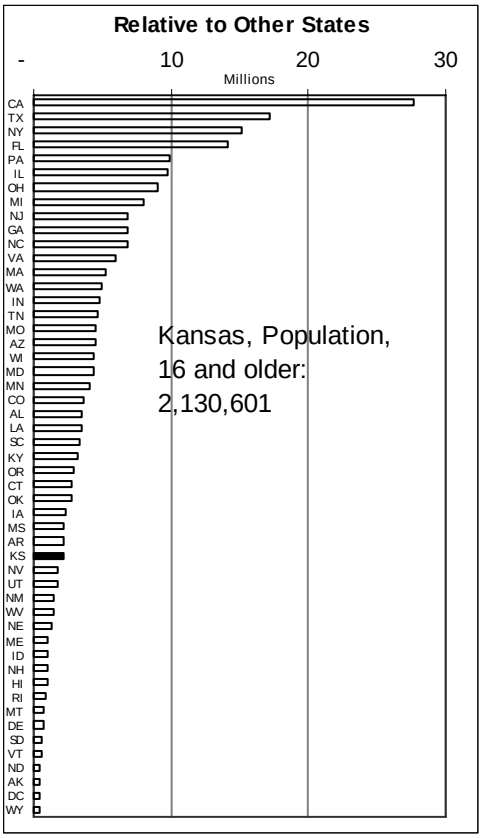
Annual Driver's License Issuances:	700,000
Annual ID Card Issuances:	50,000
Total Licenses and IDs on File:	2,307,980
Machine Readable:	1D, 2D bar; Mag stripe
Maintain Source Documents:	No
Total Number of Issuing Sites:	113
Total Number of Full-Time Employees:	140 field, 10 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	0
Contract Cost per Card:	$2.95

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	700,000	50,000	***750,000***
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***700,000***	***50,000***	***750,000***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: No	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

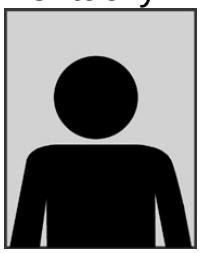
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Currently being done using facial recognition and source data tracking.
Impact of resolving social security number discrepancies:
Currently being done when SSN discrepancies arise.
Impact of ensuring that another state has not issued a DL to applicant:
Can be done now if DL information is provided
Impact of maintaining a database containing DL data and driver history:
In place
Impact of providing other states with access to the database of drivers and driver histories:
In place if requested
Impact of Social Security Online Verification (SSOLV) Requirement:
Can be done when systems are in place for Kansas to connect to.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
In process
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Can be done when systems are in place for Kansas to connect to.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
NA
Impact of requiring legal presence by applicants:
In place since 2000
Impact of capturing and storing all source documents as digital image files:
Can be done by installing scanners to work with current image capture units and interface with current imaging system.
Impact of subjecting each applicant to mandatory facial image capture:
Currently being done
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Can be done when systems are in place for Kansas to connect to.
Impact of creating a fraud document training program:
In place.
Impact of ensuring physical security at driver's license/ID card production facilities:
Currently done, central issued state
Impact of requiring employees to clear appropriate security clearance requirements:
May require legislation for background checking of dept. employees.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
NA
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Will require legislation to implement
Impact of amending the ID expiration date to show that it is "different than usual:"
Will require legislation for unique card

Kentucky

Kentucky Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

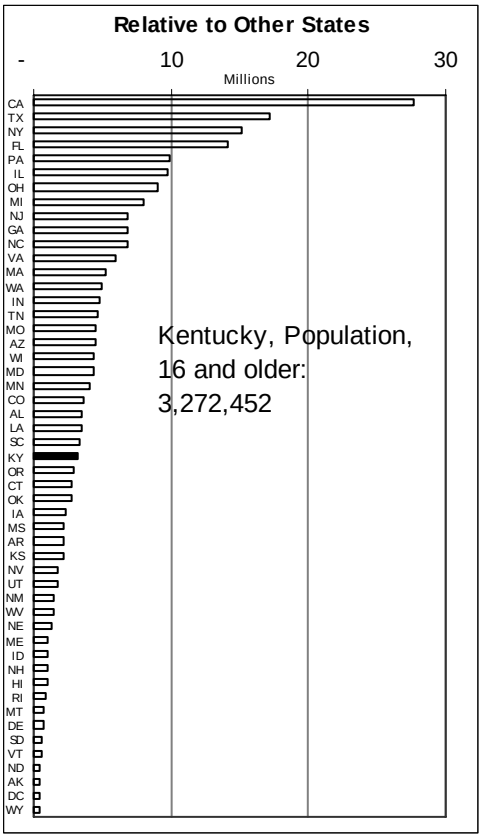
Annual Driver's License Issuances:	1,315,742
Annual ID Card Issuances:	116,314
Total Licenses and IDs on File:	3,203,164
Machine Readable:	1D, 2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	140
Total Number of Full-Time Employees:	1000 field, NA HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	2
Contract Cost per Card:	$1.53

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV, batch
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*: Yes*

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	240,644	82,552	***323,196***
Renewal (reissuance of a record on file)	723,905	--	***723,905***
Duplicate (including replacements and name/address changes)	303,426	33,762	***337,188***
Reinstatements (reissuance for compliance received)	47,767	--	***47,767***
Other	--	--	***--***
Total	***1,315,742***	***33,762***	***1,349,504***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: No	Fraud document training program currently being used: No	Number of people involved in the driver's license issuance process: 135	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

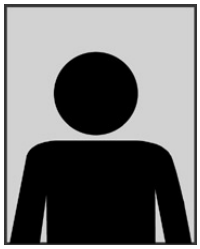
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Previous image of applicant appears before issuance. SSOLV ran on applicants. If this requirement goes further, then it would be a new requirement to KY.
Impact of resolving social security number discrepancies:
Yes, upon proof of SSN w/SSA and other proof of identity license, bank, etc. KY will notify state to determine identity
Impact of ensuring that another state has not issued a DL to applicant:
States can ask the question to applicant but DRIVERS needed to enforce
Impact of maintaining a database containing DL data and driver history:
KY maintains record of traffic convictions for 5 years
Impact of providing other states with access to the database of drivers and driver histories:
Do no understand fully the meaning of this, but it is new requirement. It would seem that DRIVERS needed to comply.
Impact of Social Security Online Verification (SSOLV) Requirement:
Yes
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
KY has not started this process yet
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
No
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
New requirement for KY. State may have a problem if requirement in 3 years.
Impact of requiring legal presence by applicants:
Yes
Impact of capturing and storing all source documents as digital image files:
KY has no means to address this requirement at this time. This would be a very huge impact upon KY
Impact of subjecting each applicant to mandatory facial image capture:
KY complies now, since 3/2002.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
No, however KY does have access to KY Vital Stats system for checks as needed.
Impact of creating a fraud document training program:
Very large impact and concern for KY since court clerk offices issue license, not DMV employees. There are over 800 users and there is a 25% turn over rate. No money currently set aside to perform this training and travel.
Impact of ensuring physical security at driver's license/ID card production facilities:
Requirement is very difficult in KY where court officials issue licenses over the counter and store consumables at local offices. Division issues procedures and security measures but it up to court clerks to perform those security measures.
Impact of requiring employees to clear appropriate security clearance requirements:
KY performs some level of background checks now but additional measures needed.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
KY opposes this option because government issued document is issued to someone without proper identification credentials.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
KY does not have a formula to determine the number of employees needed.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
KY issues license to end of legal stay or normal 4 year expiration if stay longer.
Impact of amending the ID expiration date to show that it is "different than usual:"
This would be a new requirement for KY temporary document currently license looks same except expiration date.

Louisiana

Louisiana Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

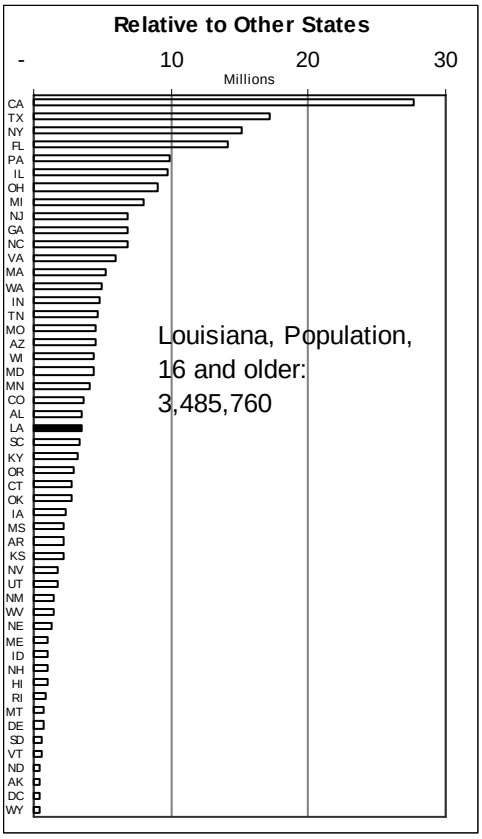
Annual Driver's License Issuances:	879,896
Annual ID Card Issuances:	240,281
Total Licenses and IDs on File:	5,311,275
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	No
Total Number of Issuing Sites:	81
Total Number of Full-Time Employees:	498 field, 15 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.64

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* No

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	70,245	92,373	***162,618***
Renewal (reissuance of a record on file)	648,450	98,564	***747,014***
Duplicate (including replacements and name/address changes)	161,201	49,344	***210,545***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***879,896***	***240,281***	***1,120,177***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

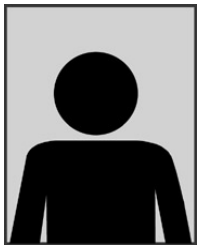
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
La. has a photo retrieve system which is utilized in identification at renewal period, duplicates, etc.
Impact of resolving social security number discrepancies:
We do currently
Impact of ensuring that another state has not issued a DL to applicant:
MCSIA, effective 09/30/2005
Impact of maintaining a database containing DL data and driver history:
MCSIA and NGMV. Louisiana's re-engineering program is going to customer centrix whereby all information on an individual in readily available.
Impact of providing other states with access to the database of drivers and driver histories:
MCSIA
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently in our processes
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Monetary due to a change order in current RFP for NGMV. Time it would add to customer wait if live.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Monetary due to a change order in current RFP for NGMV. Time it would add to customer wait if live.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
We believe that La. will meet standards
Impact of requiring legal presence by applicants:
We do currently
Impact of capturing and storing all source documents as digital image files:
This is part of our NGMV (re-engineering) program.
Impact of subjecting each applicant to mandatory facial image capture:
We do currently.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Imagine it would be huge to gather all information from all states.
Impact of creating a fraud document training program:
We do currently.
Impact of ensuring physical security at driver's license/ID card production facilities:
We do currently.
Impact of requiring employees to clear appropriate security clearance requirements:
We do currently.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Louisiana is in process of re-engineering and this will be accomplished; therefore, no impact. (NGMV)
Impact of amending the ID expiration date to show that it is "different than usual:"
No real impact since this can be addressed with re-engineering process already started and/or new camera contract 2007.

Maine

Maine Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

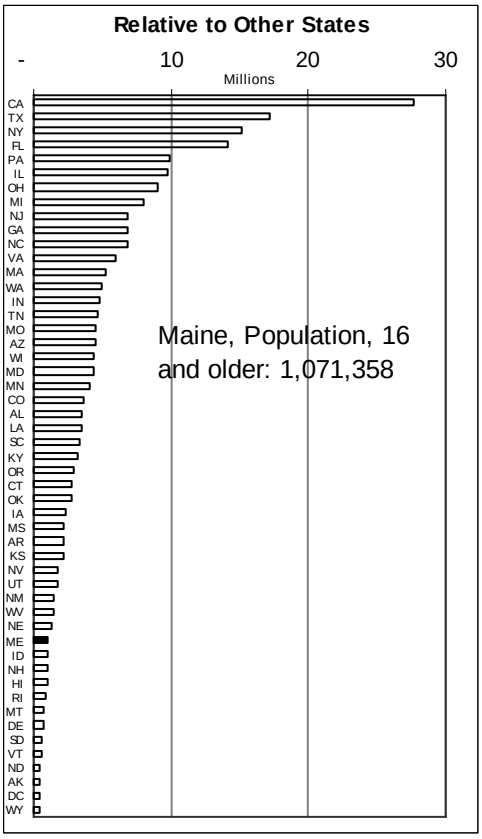
Annual Driver's License Issuances:	387,406
Annual ID Card Issuances:	20,000
Total Licenses and IDs on File:	1,257,000
Machine Readable:	1D, 2D barcode
Maintain Source Documents:	Not specified, indefinite
Total Number of Issuing Sites:	25
Total Number of Full-Time Employees:	140 field, 10 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	0
Contract Cost per Card:	$2.14

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	60,000	20,000	***80,000***
Renewal (reissuance of a record on file)	164,167	--	***164,167***
Duplicate (including replacements and name/address changes)	112,739	--	***112,739***
Reinstatements (reissuance for compliance received)	50,500	--	***50,500***
Other	--	--	***--***
Total	***387,406***	***20,000***	***407,406***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

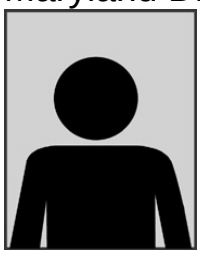
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system:	Electronic verification of the legal presence of applicants:

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Minimum procedural changes, unless the same checks must be done as for an initial applicant, then major.
Impact of resolving social security number discrepancies:
No impact
Impact of ensuring that another state has not issued a DL to applicant:
No impact
Impact of maintaining a database containing DL data and driver history:
No impact
Impact of providing other states with access to the database of drivers and driver histories:
Major
Impact of Social Security Online Verification (SSOLV) Requirement:
No impact
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Major
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Major
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Contractual, statutory, system and procedural changes
Impact of requiring legal presence by applicants:
Will necessitate statutory, procedural, and system changes. Moderate/Major
Impact of capturing and storing all source documents as digital image files:
Major
Impact of subjecting each applicant to mandatory facial image capture:
No impact
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Major
Impact of creating a fraud document training program:
No impact
Impact of ensuring physical security at driver's license/ID card production facilities:
Impact indeterminable without further information/review
Impact of requiring employees to clear appropriate security clearance requirements:
Impact indeterminable without further information/review
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Moderate
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Moderate. Will necessitate statute, procedural, system, and contractual changes
Impact of amending the ID expiration date to show that it is "different than usual:"
Moderate. Will necessitate statute, procedural, system, and contractual changes

Maryland

Maryland Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

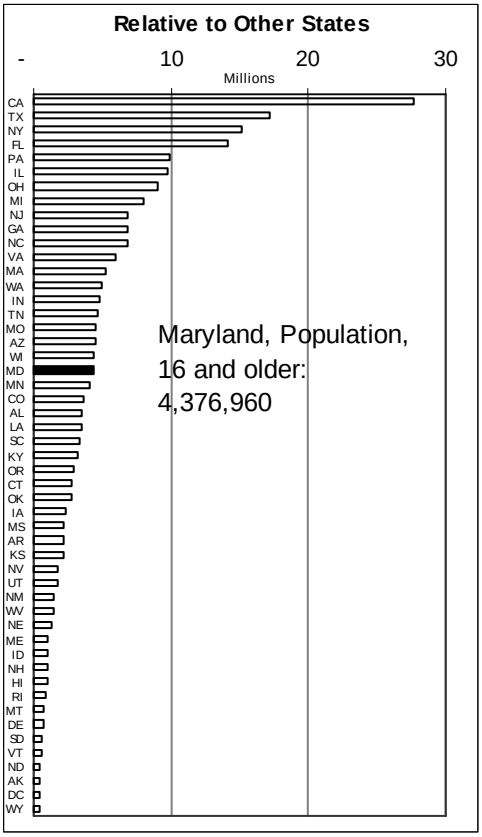
Annual Driver's License Issuances:	1,493,020
Annual ID Card Issuances:	130,000
Total Licenses and IDs on File:	4,246,000
Machine Readable:	Bar after 2003. Mag stripe w/ 1D Bar before 2003
Maintain Source Documents:	Yes
Total Number of Issuing Sites:	26
Total Number of Full-Time Employees:	100 field 40 HQ
Issuance Process:	Hybrid
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	Electronic, SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	
Military Documents	No	

Document retention methods to change under Real ID*:* No answer

Source Documents to Verify Identification: No answer



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	***Total***
Original	564,000	117,000	***681,000***
Renewal (reissuance of a record on file)	750,000	--	***750,000***
Duplicate (including replacements and name/address changes)	175,000	13,000	***188,000***
Reinstatements (reissuance for compliance received)	4,020	--	***4,020***
Other	--	--	***--***
Total	***1,493,020***	***130,000***	***1,623,020***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 700	Alternative issuance method: No answer	Fraud document training program currently being used: Yes	Number of people involved in the driver's license issuance process: 1,910 in FY 2005	Number of employees involved in issuance of hybrid cards (if applicable): 582

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

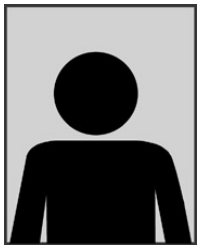
Impact of establishing a procedure to verify applicant information during renewals:
Modify DLS to include indicators signifying that certain data and / or documents have been verified and validated.
Impact of resolving social security number discrepancies:
Modify DLS eligibility check to interface with AAMVA interface to other jurisdictions. AAMVA to develop discrepancy resolution process
Impact of ensuring that another state has not issued a DL to applicant:
Modify DLS eligibility check to interface with AAMVA interface to other jurisdictions.
Impact of enabling electronic verification for other forms of documentation:

Impact of maintaining a database containing DL data and driver history:
Any change in the amount of data captured and stored will require modifications to the DLS application and the DLS database.
Impact of providing other states with access to the database of drivers and driver histories:
Develop and implement a data exchange server and database separate from the production environment.
Impact of Social Security Online Verification (SSOLV) Requirement:
SSLOV – In compliance, SSN Non-eligibility Letter – Modify DLS eligibility check to interface with AAMVA interface to SSA
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Modify DLS eligibility check to interface with SAVE
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Modify DLS eligibility check to interface with AAMVA interface to DEERS
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
None
Impact of requiring legal presence by applicants:
Transactions for temporary DL and ID cards should decrease. Renewal transactions for those eligible will increase due to shorter renewal periods although this will be tempered by the limited number of renewal periods the individual may qualify for. Overall the expected outcome is a net decrease in DL and ID

Impact of capturing and storing all source documents as digital image files:
Modify DLS to require capture of additional documents. Create application to transmit document images to others.
Impact of subjecting each applicant to mandatory facial image capture:
In compliance
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Modify DLS eligibility check to interface with AAMVA interface to NAPHSIS / State Vital Records Agency.
Impact of creating a fraud document training program:
In compliance with current AAMVA level 1 and 2.
Impact of ensuring physical security at driver's license/ID card production facilities:
In compliance.
Impact of requiring employees to clear appropriate security clearance requirements:
Possible significant cost and time impacts depending on clearance standards established. Could cause staffing shortage if clearances are not completed quickly and temporary authority is not granted.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Create new product flow / eligibility requirements in DLS to produce certificate.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
Maryland utilizes a staffing model with standard times developed through experience by transaction type. The transaction counts are inputted and the model calculates ho many production (distributed by function), supervision, and administrative staff are needed for each office. It also calculates the number of counters needed by function and total public square footage required for the office. Consideration is given to leave rates, training hours, extended hours of service, and customer arrivals. To adjust staffing requirements requires only changes to the transaction items or transaction counts.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Temporary Card design in compliance. Modify DLS to allow user definable expiration date on current temporary cards.
Impact of amending the ID expiration date to show that it is "different than usual:
In compliance.

Massachusetts

Massachusetts Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

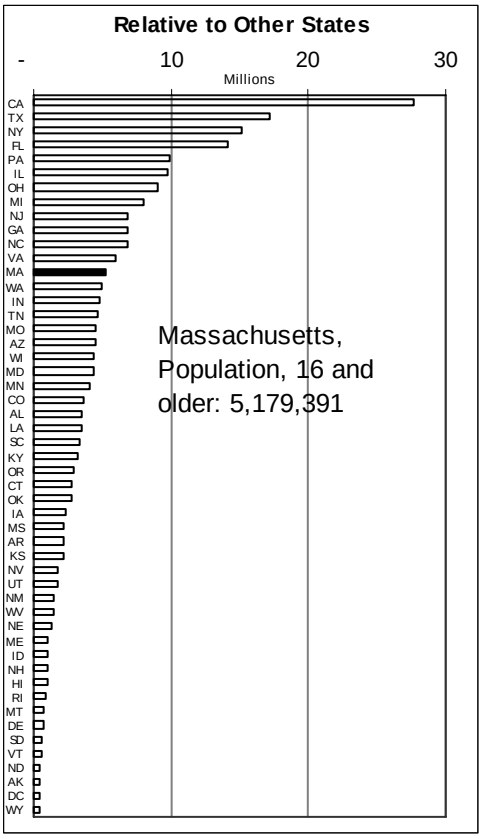
Annual Driver's License Issuances:	816,538
Annual ID Card Issuances:	67,095
Total Licenses and IDs on File:	5,253,151
Machine Readable:	2D Bar
Maintain Source Documents:	Yes, Digital, 75 years
Total Number of Issuing Sites:	36
Total Number of Full-Time Employees:	401.5 Field, 4 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	16
Contract Cost per Card:	$1.77

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	No	
Authenticate Address	Yes	Software/ Databases
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	304,841	57,242	***362,083***
Renewal (reissuance of a record on file)	232,766	--	***232,766***
Duplicate (including replacements and name/address changes)	220,390	9,853	***230,243***
Reinstatements (reissuance for compliance received)	58,541	--	***58,541***
Other	--	--	***--***
Total	***816,538***	***67,095***	***883,633***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: No answer	Alternative issuance method: Yes	Fraud document training program currently being used: No Training	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

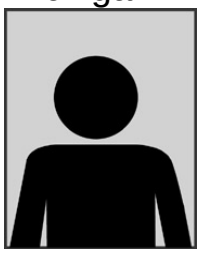
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Depending on definitions used for "verifying" and "renew", impact could be monumental if required to "call back" entire license population
Impact of resolving social security number discrepancies:
We perform this resolution today
Impact of ensuring that another state has not issued a DL to applicant:
Depending on process defined, system and process implications could be major.
Impact of maintaining a database containing DL data and driver history:
We are in compliance
Impact of providing other states with access to the database of drivers and driver histories:
We are in compliance
Impact of Social Security Online Verification (SSOLV) Requirement:
We meet the requirements.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
In the process of issuing a contract for Document Authentication Equipment to be installed in license issuing locations
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
In the process of issuing a contract for Document Authentication Equipment to be installed in license issuing locations
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
We are in compliance
Impact of requiring legal presence by applicants:
We are not in compliance. We will need a statue change.
Impact of capturing and storing all source documents as digital image files:
We are exploring the cost of implementing document digital imaging equipment to satisfy this requirement. This equipment is very expensive! This requirement will have a large impact on our Agency.
Impact of subjecting each applicant to mandatory facial image capture:
We are in compliance.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
We are in the process of issuing a contract for Document Authentication Equipment to be installed in license issuing locations.
Impact of creating a fraud document training program:
We are introducing Document Authentication equipment and are exploring training programs.
Impact of ensuring physical security at driver's license/ID card production facilities:
We are in compliance.
Impact of requiring employees to clear appropriate security clearance requirements:
We are in compliance.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Our Legislature is not in favor of this option at this time.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
N/R
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
We do not have statutory authority to issue this type of temporary license. Statutory change required.
Impact of amending the ID expiration date to show that it is "different than usual:"
As above we will need the legal authority to create and issue this type of license document.

Michigan

Michigan Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

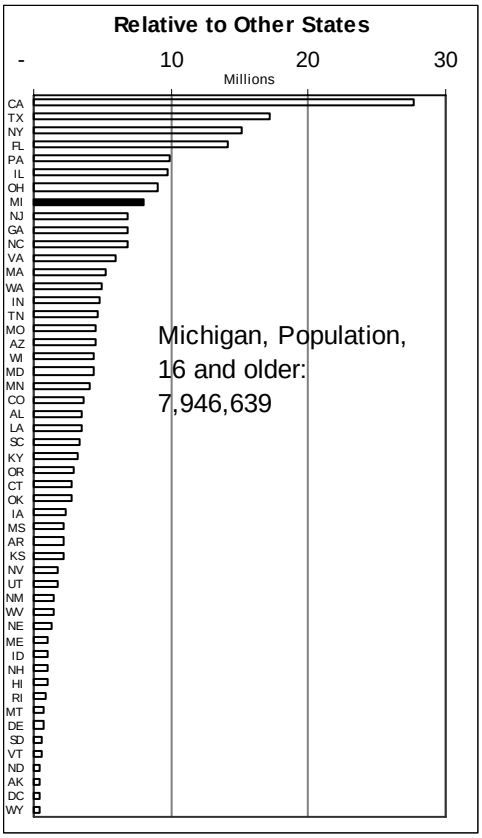
Annual Driver's License Issuances:	2,484,000
Annual ID Card Issuances:	283,000
Total Licenses and IDs on File:	8,000,000
Machine Readable:	1D Bar, Mag stripe
Maintain Source Documents:	Yes, 2 yrs
Total Number of Issuing Sites:	155
Total Number of Full-Time Employees:	1,000 field 100 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	5 DL, 4 ID
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	$0.97

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	Batch process
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	208,000	124,000	***332,000***
Renewal (reissuance of a record on file)	1,000,000	102,000	***1,102,000***
Duplicate (including replacements and name/address changes)	1,200,000	57,000	***1,257,000***
Reinstatements (reissuance for compliance received)	76,000	--	***76,000***
Other	--	--	***--***
Total	***2,484,000***	***283,000***	***2,767,000***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 65,000 Permits	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

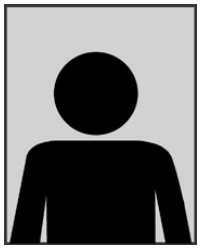
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
May require some type of authentication of renewing applicant. State law change required to verify applicant's information when renewing a license or card.
Impact of resolving social security number discrepancies:
May require a two-step process for SSN verification involving both SSA and other states. State law change to require SSN on Personal ID Cards.
Impact of ensuring that another state has not issued a DL to applicant:
May require programming for an up-front check of other states.
Impact of maintaining a database containing DL data and driver history:
Michigan complies
Impact of providing other states with access to the database of drivers and driver histories:
State law change needed to require access to Personal ID Card data and highly restricted personal information.
Impact of Social Security Online Verification (SSOLV) Requirement:
Need state law change to authorize verification for driver's license and ID Cards. Need law change for ID Law to parallel Driver's license.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Need state law change to authorize verification for driver's license and ID Cards. Need law change for ID Law to parallel Driver's license.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Need state law change to authorize verification for driver's license and ID Cards. Need law change for ID Law to parallel Driver's license.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Card re-design.

Impact of requiring legal presence by applicants:
Michigan needs state law change to require legal presence.
Impact of capturing and storing all source documents as digital image files:
Requires purchase of scanning equipment for field offices. Needs state law change to capture and retain digital images of identity source documents.
Impact of subjecting each applicant to mandatory facial image capture:
Increased storage costs. May require programming to indicate no license issued. Major procedure change if need to track incomplete transactions. May require state law change to authorize mandatory facial image capture at time of application.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Need state law change to authorize verification for driver's license and ID Cards. Need law change for ID Law to parallel Driver's license.
Impact of creating a fraud document training program:
Michigan complies.
Impact of ensuring physical security at driver's license/ID card production facilities:
May need additional language in vendor contract.
Impact of requiring employees to clear appropriate security clearance requirements:
May need additional language in vendor contract.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Requires programming to create field for temporary expiration date, state law change to authorize temporary expiration date.
Impact of amending the ID expiration date to show that it is "different than usual:
Card re-design.

Minnesota

Minnesota Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

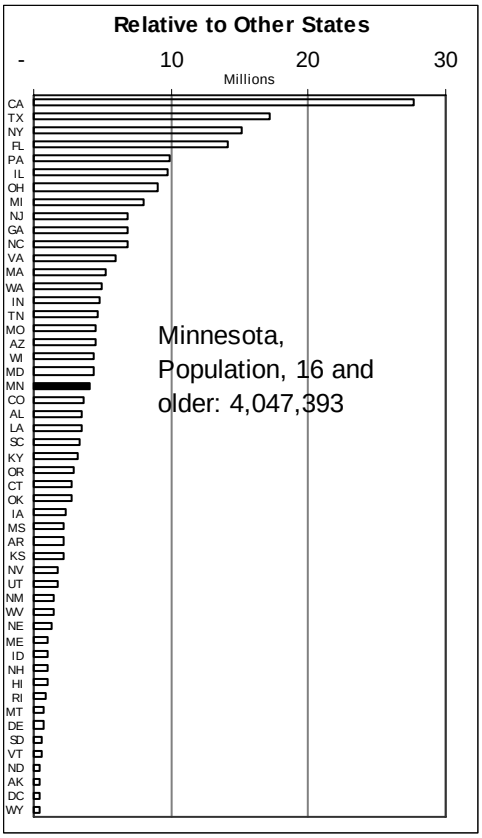
Annual Driver's License Issuances:	1,668,812
Annual ID Card Issuances:	123,069
Total Licenses and IDs on File:	3,998,625
Machine Readable:	2D, 1D bar, Mag stripe
Maintain Source Documents:	Digital, 7 years
Total Number of Issuing Sites:	136
Total Number of Full-Time Employees:	1,808 Field 50 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	4 DL, Indefinite ID
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	$1.19

Accepted Verification Documents:

	Verify	
Social Security Number	No	
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* No

Source Documents to Verify Identification: 4 DL, 3 ID



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	189,387	16,337	***205,724***
Renewal (reissuance of a record on file)	1,009,267	87,337	***1,096,604***
Duplicate (including replacements and name/address changes)	290,521	19,395	***309,916***
Reinstatements (reissuance for compliance received)	179,637	--	***179,637***
Other	--	--	**--**
Total	***1,668,812***	***123,069***	***1,791,881***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 2 DL, 10 ID	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: Approximately 700	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

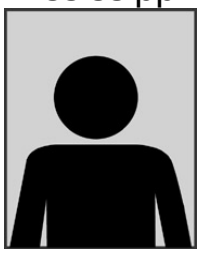
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: 5,793 DL / 386 ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
More detail is required to determine impact—specifically which information.
Impact of resolving social security number discrepancies:
This has not been implemented yet, but should not be insurmountable.
Impact of ensuring that another state has not issued a DL to applicant:
Requires DRIVERS or some other mechanism for automated confirmation with other jurisdictions, which does not currently exist.
Impact of maintaining a database containing DL data and driver history:
None, except that MN does not use a point system.
Impact of providing other states with access to the database of drivers and driver histories:
Development required.
Impact of Social Security Online Verification (SSOLV) Requirement:
MN is in the preliminary planning stages of implementing SSOLV.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
SAVE has not been explored yet.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
MN is not familiar with DEERS (DOD).
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
None.
Impact of requiring legal presence by applicants:
None.
Impact of capturing and storing all source documents as digital image files:
May require enhancement of existing imaging process.
Impact of subjecting each applicant to mandatory facial image capture:
None.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
MN is exploring in-state vital records verification processes and is interested in EVVERS.
Impact of creating a fraud document training program:
Minimal
Impact of ensuring physical security at driver's license/ID card production facilities:
None, if this refers to the card production factory only
Impact of requiring employees to clear appropriate security clearance requirements:
None.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
DVS determines the number of Full Time Equivalent employees (FTEs) needed as follows: Reviewing the quantity of functions needed to be processed per hour to meet our estimated volume and multiplying it by 2080 hours per year.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
None.
Impact of amending the ID expiration date to show that it is "different than usual:"
None.

Mississippi

Mississippi Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

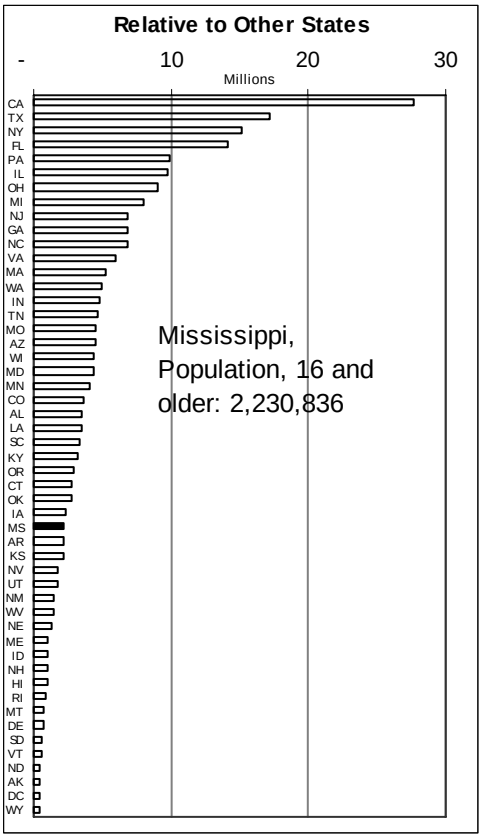
Annual Driver's License Issuances:	580,927
Annual ID Card Issuances:	60,130
Total Licenses and IDs on File:	2,631,530
Machine Readable:	2D Bar, Mag stripe
Maintain Source Documents:	Yes, indefinite
Total Number of Issuing Sites:	60
Total Number of Full-Time Employees:	122 Field, 15 HQ
Issuance Process:	No answer
Maximum Valid Card Issuance Term:	4 years
Youngest Card Issuance Age:	6
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	Batch
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	49,312	39,253	***88,565***
Renewal (reissuance of a record on file)	440,763	18,268	***459,031***
Duplicate (including replacements and name/address changes)	20,302	2,609	***22,911***
Reinstatements (reissuance for compliance received)	70,541	--	***70,541***
Other	9	--	***9***
Total	***580,927***	***60,130***	***641,057***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 85	Alternative issuance method: No	Fraud document training program currently being used: No Training	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

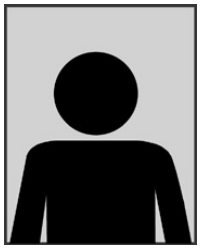
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No answer	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
None
Impact of resolving social security number discrepancies:
None
Impact of ensuring that another state has not issued a DL to applicant:
None
Impact of maintaining a database containing DL data and driver history:
None
Impact of providing other states with access to the database of drivers and driver histories:
Currently use CDLIS information
Impact of Social Security Online Verification (SSOLV) Requirement:
System/Program changes
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
System/Program changes
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
System/Program changes
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
None
Impact of requiring legal presence by applicants:
None
Impact of capturing and storing all source documents as digital image files:
Procurement process. Equipment & system/program changes.
Impact of subjecting each applicant to mandatory facial image capture:
None
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Software/Program changes
Impact of creating a fraud document training program:
Cost
Impact of ensuring physical security at driver's license/ID card production facilities:
None
Impact of requiring employees to clear appropriate security clearance requirements:
None
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
None
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Introduce into law for legislative action. Currently have 1 year license for Non-US citizen license.
Impact of amending the ID expiration date to show that it is "different than usual:"
None

Missouri

Missouri Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

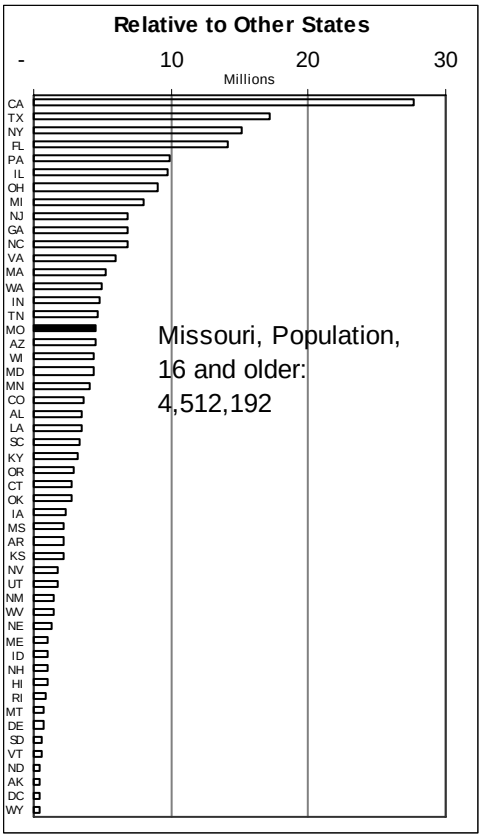
Annual Driver's License Issuances:	1,348,911
Annual ID Card Issuances:	139,158
Total Licenses and IDs on File:	4,856,426
Machine Readable:	2D Bar
Maintain Source Documents:	Hard Copy, 15 years
Total Number of Issuing Sites:	185
Total Number of Full-Time Employees:	500 Field, 4 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	$1.86

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 5



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	380,822	134,662	***515,484***
Renewal (reissuance of a record on file)	553,847	4,496	***558,343***
Duplicate (including replacements and name/address changes)	328,705	--	***328,705***
Reinstatements (reissuance for compliance received)	85,537	--	***85,537***
Other	--	--	**--**
Total	***1,348,911***	***139,158***	***1,488,069***

Issuance Process

Issue license or identification documents without applicant's photograph: No answer	Annual issuance total for documents without a picture: No answer	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Course	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

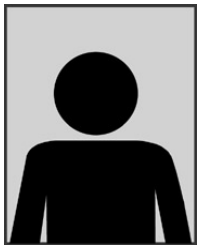
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: No response	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
TBD – Need to define
Impact of resolving social security number discrepancies:
Define action – Low to High impact
Impact of ensuring that another state has not issued a DL to applicant:
High – Need to define
Impact of maintaining a database containing DL data and driver history:
No impact
Impact of providing other states with access to the database of drivers and driver histories:
Low to High
Impact of Social Security Online Verification (SSOLV) Requirement:
No impact
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
No impact – implemented 7/1/05
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
High
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Assume High impact
Impact of requiring legal presence by applicants:
Low to High
Impact of capturing and storing all source documents as digital image files:
High
Impact of subjecting each applicant to mandatory facial image capture:
Moderate – based on definition of "facial image capture"
Impact of using an electronic, online or automated authentication system for birth certificate verification:
High
Impact of creating a fraud document training program:
Low to moderate impact
Impact of ensuring physical security at driver's license/ID card production facilities:
High – Depends on requirement
Impact of requiring employees to clear appropriate security clearance requirements:
Low to moderate impact
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Assume High impact
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
No to low impact
Impact of amending the ID expiration date to show that it is "different than usual:"
Low impact

Montana

Montana Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

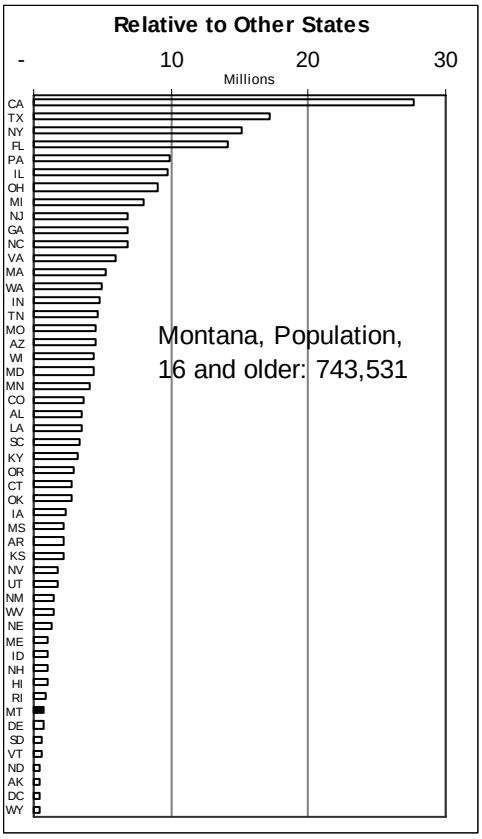
Annual Driver's License Issuances:	170,984
Annual ID Card Issuances:	17,146
Total Licenses and IDs on File:	731,416
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	No, No retention
Total Number of Issuing Sites:	48
Total Number of Full-Time Employees:	64 Field
Issuance Process:	Central
Maximum Valid Card Issuance Term:	8 DL, 4 ID
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	$3.25

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	Batch Process
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4 DL, 3 ID



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	51,987	17,146	***69,133***
Renewal (reissuance of a record on file)	78,096	--	***78,096***
Duplicate (including replacements and name/address changes)	33,168	--	***33,168***
Reinstatements (reissuance for compliance received)	7,733	--	***7,733***
Other	--	--	***--***
Total	***170,984***	***17,146***	***188,130***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: No answer	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: 60.5 field staff	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

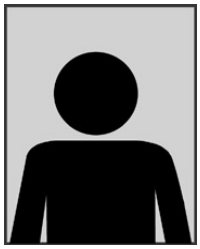
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
$20,000 for development and staff training
Impact of resolving social security number discrepancies:
$40,000 ---2 additional staff
Impact of ensuring that another state has not issued a DL to applicant:
$100,000-- 5 additional staff is process is done manually. If electronic $500,000
Note** Need DRIVerS
Impact of maintaining a database containing DL data and driver history:
No Impact --current process
Impact of providing other states with access to the database of drivers and driver histories:
$500,000
Impact of Social Security Online Verification (SSOLV) Requirement:
$15,000
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
$40,000
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
$40,000
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
$30,000
Impact of requiring legal presence by applicants:
No answer
Impact of capturing and storing all source documents as digital image files:
$1,300,000--initial cost plus maintenance and equipment replacement
Impact of subjecting each applicant to mandatory facial image capture:
No Impact current process
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Birth Certificate - Will include in the card cost
Impact of creating a fraud document training program:
$40,000
Impact of ensuring physical security at driver's license/ID card production facilities:
No impact--current process
Impact of requiring employees to clear appropriate security clearance requirements:
$200.00
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Unknown at this time
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Montana already has the capability to issue a card for 1 to 8 year cycles
$5,000 for system development
Impact of amending the ID expiration date to show that it is "different than usual:"
$40,000
This requirement will need a standard for all the jurisdictions to follow

Nebraska

Nebraska Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

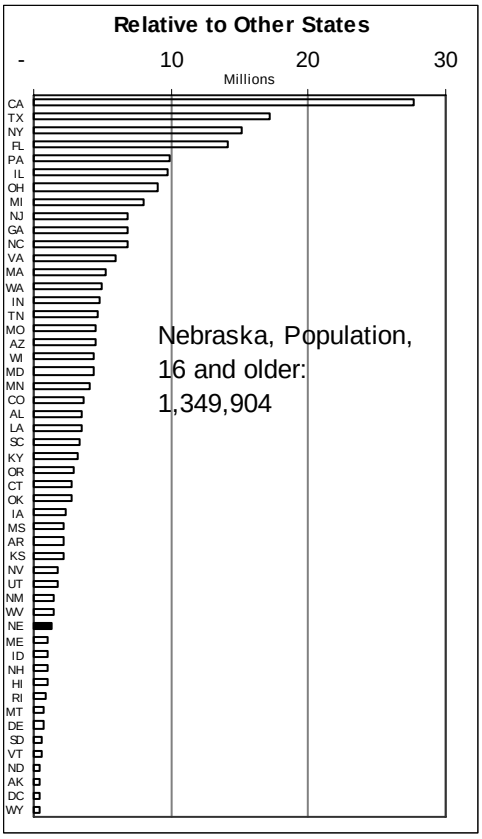
Annual Driver's License Issuances:	422,415
Annual ID Card Issuances:	32,454
Total Licenses and IDs on File:	1,589,203
Machine Readable:	2D bar, Digital watermark
Maintain Source Documents:	No
Total Number of Issuing Sites:	197
Total Number of Full-Time Employees:	711 Field, 55 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	$4.30

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 1 DL, 2 ID



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	333,542	32,454	***365,996***
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	88,873	--	***88,873***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***422,415***	***32,454***	***454,869***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 569 DL, 28 ID	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
DHS Rule will have to state the process so it is uniform throughout the states
Impact of resolving social security number discrepancies:
Will require staff time – cannot do with existing staff - cost unknown
Impact of ensuring that another state has not issued a DL to applicant:
No database exists for electronic checking – manual process would be very time consuming if not impossible - cost to develop unknown
Impact of maintaining a database containing DL data and driver history:
Comply
Impact of providing other states with access to the database of drivers and driver histories:
No such database exists - cost unknown

Impact of Social Security Online Verification (SSOLV) Requirement:
Comply with SSOLV

Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Nebraska accessed SAVE in a pilot project for 6 months. The system is not well developed, it requires a great deal of staff time to follow up on additional contact with UCSIS and applicant – cannot do with existing staff

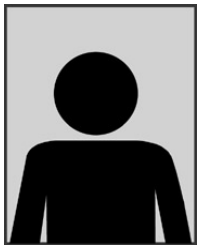
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
I don't know what this is
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Will require 35 new card types – cost unknown
Impact of requiring legal presence by applicants:
Will require legislation

Impact of capturing and storing all source documents as digital image files:
Nebraska does not retain copies of source documents – Will require building an imaging system and upgrading the State's network infrastructure – impact in the millions of dollars
Impact of subjecting each applicant to mandatory facial image capture:
Will require DMV examiners to have digital camera equipment that they currently do not have – cost unknown
Impact of using an electronic, online or automated authentication system for birth certificate verification:
No link to Nebraska or national information currently exists

Impact of creating a fraud document training program:
Nebraska DMV has engaged in a fraudulent doc recognition training program – County treasurers do not have such a program. Cost unknown

Impact of ensuring physical security at driver's license/ID card production facilities:
Cannot currently ensure physical security of locations – Nebraska's offices are located in county courthouses – DMV has no control over the physical security
The definition of "ensure physical security" will control how this standard is met.
Cost unknown
Impact of requiring employees to clear appropriate security clearance requirements:
Nebraska DMV does background checking on its staff – however cards are issued by county treasurer – many do not do background checks – DMV has absolutely no control over the locally elected officials and how they run their offices
Cost unknown
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Not required under the federal law – not even mentioned anywhere in the federal law
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Will require legislation – development of 35 new card types
Increase in workload unknown – cannot do with existing staff
Cost unknown
Impact of amending the ID expiration date to show that it is "different than usual:
No answer

Nevada Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Nevada

Key Statistics:

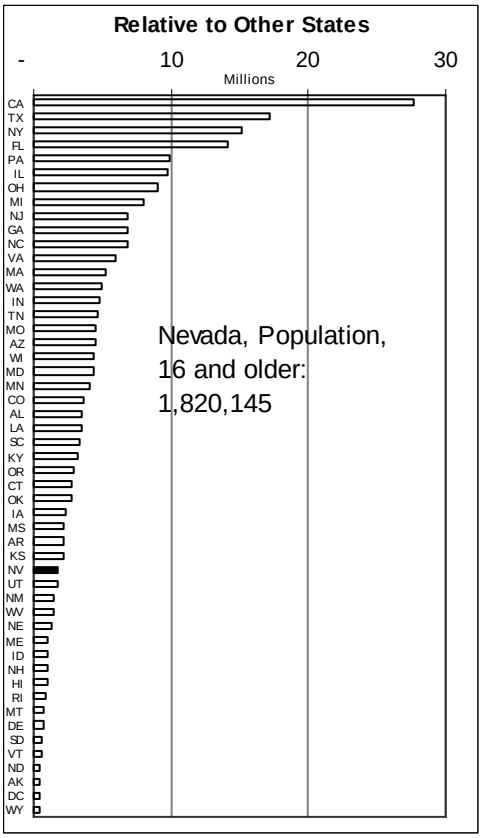
Annual Driver's License Issuances:	608,425
Annual ID Card Issuances:	83,963
Total Licenses and IDs on File:	2,054,211
Machine Readable:	2D bar
Maintain Source Documents:	Hard copy 10 years
Total Number of Issuing Sites:	21
Total Number of Full-Time Employees:	687 Field 4 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	10
Contract Cost per Card:	$2.08

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* No

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	180,690	55,914	***236,604***
Renewal (reissuance of a record on file)	248,556	3,631	***252,187***
Duplicate (including replacements and name/address changes)	151,165	24,418	***175,583***
Reinstatements (reissuance for compliance received)	28,014	--	***28,014***
Other	--	--	***--***
Total	***608,425***	***83,963***	***692,388***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 1,317 DL	Alternative issuance method: No	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: 503	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 23,000 DL / 11,000 ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:

- This requirement eliminates current alternate technologies for the renewal of a driver's license or identification card.
- Statutory change
- Verification procedures
- Additional staff to review and verify documents
- Regulation changes
- Verification process will add to wait times in offices. If wait times increase beyond the mandatory 1-hour limit, additional staff and field offices may be necessary.
- Programming hours for DMV application changes will be needed to include verification edits
- If temporary documents are needed, this process could ultimately result in Central Issuance of DL and/or IDs

The Secretary of Homeland Security has the authority to adopt regulations that could cause additional impact from those noted above.

Impact of resolving social security number discrepancies:
We would be unable to service a segment of Nevada's population if documentation to evidence non-eligibility cannot be produced or if a discrepancy exists with SSA.

Impact of ensuring that another state has not issued a DL to applicant:
No impact

Impact of maintaining a database containing DL data and driver history:
No impact

Impact of providing other states with access to the database of drivers and driver histories:
No impact

Impact of Social Security Online Verification (SSOLV) Requirement:
No impact

Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Minor fiscal impact

Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Minor fiscal impact

Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:

- Impact on the information technology staff to complete DMV application programming changes
- Large fiscal Impact
- Vendor Contract revisions

Impact of requiring legal presence by applicants:

- Statutory change to enact legal presence law

- Regulation changes
- Verification process will add to wait times in offices

Impact of capturing and storing all source documents as digital image files:

- Substantial fiscal impact to acquire hardware and contract services
- Impact on information technology staff to program DMV application to retain and transfer scanned imaged

Impact of subjecting each applicant to mandatory facial image capture:
No impact
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Large fiscal impact and unreasonable delays in processing
Impact of creating a fraud document training program:
No impact
Impact of ensuring physical security at driver's license/ID card production facilities:
No impact
Impact of requiring employees to clear appropriate security clearance requirements:
The potential impact of this requirement is subjecting potential contract vendors to security clearances.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":

- Impact on the information technology staff to complete DMV application programming changes
- Fiscal Impact
- Vendor Contract revisions

Process/Formula used to determine the number of employees necessary to perform specific tasks:
Nevada does not have a staffing formula.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:

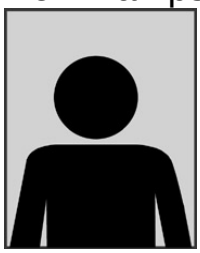
- Additional staff hours to effect policy and procedure changes
- MVIT programming to automate the expiration at one year
- Statutory and/or regulatory changes identifying the one-year expiration if no immigration end-of-stay date provided.
- Public notices will need to be generated

Impact of amending the ID expiration date to show that it is "different than usual:

- Impact on the information technology staff to complete DMV application programming changes
- Fiscal Impact
- Vendor Contract revisions

New Hampshire

New Hampshire Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

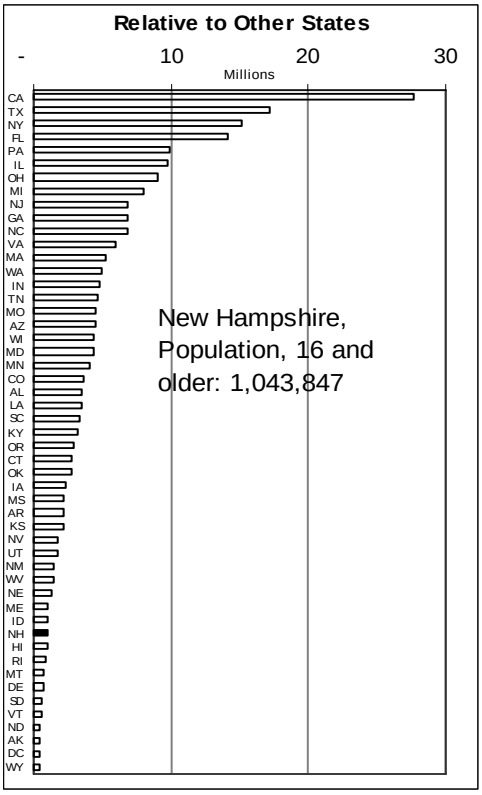
Annual Driver's License Issuances:	No answer
Annual ID Card Issuances:	No answer
Total Licenses and IDs on File:	No answer
Machine Readable:	2D bar
Maintain Source Documents:	No answer
Total Number of Issuing Sites:	No answer
Total Number of Full-Time Employees:	No answer
Issuance Process:	No answer
Maximum Valid Card Issuance Term:	No answer
Youngest Card Issuance Age:	0
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify
Social Security Number	No answer
Birth Certificate	No answer
Authenticate Address	No answer
Military Documents	No answer

Document retention methods to change under Real ID*:* No answer

Source Documents to Verify Identification: No answer



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	**--**	**--**	**--**

Issuance Process

Issue license or identification documents without applicant's photograph: No answer	Annual issuance total for documents without a picture: No answer	Alternative issuance method: No answer	Fraud document training program currently being used: No answer	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): No answer

Application Process for Immigrants

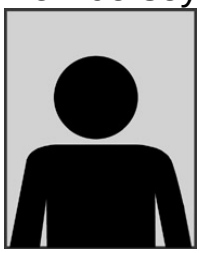
Temporary DL/ID to temporary immigrants for a term based on immigration status: No answer	Corresponding ID expiration date and immigration forms expiration date: No answer	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No answer

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Renewals are currently verified with existing system
Impact of resolving social security number discrepancies:
Currently rectifying SSNN discrepancies with SSA.
Impact of ensuring that another state has not issued a DL to applicant:
State currently conducts motor vehicle record checks before issuing permanent license.
Impact of maintaining a database containing DL data and driver history:
Currently in compliance.
Impact of providing other states with access to the database of drivers and driver histories:
No answer
Impact of Social Security Online Verification (SSOLV) Requirement:
No answer
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Will require modification to current IT system. This will result In additional unfunded costs.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Will require modification to current IT system. This will result In additional unfunded costs.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
No answer
Impact of requiring legal presence by applicants:
Current law defines legal presence. Verified before ID issued.
Impact of capturing and storing all source documents as digital image files:
Currently do not have imaging capability for licensing. Would require additional hardware and OIT modifications.
Impact of subjecting each applicant to mandatory facial image capture:
Currently take digital photos of face.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
No answer
Impact of creating a fraud document training program:
Currently conduct this training.
Impact of ensuring physical security at driver's license/ID card production facilities:
Procedures in place and being enhanced.
Impact of requiring employees to clear appropriate security clearance requirements:
Requires background checks not currently performed.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Expiration is tied to end of stay, Not using Temporary after 45 days.
Impact of amending the ID expiration date to show that it is "different than usual:
Not currently amended, current initiatives by advocates for Non-US citizens are to prevent the unique identification.

New Jersey

New Jersey Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

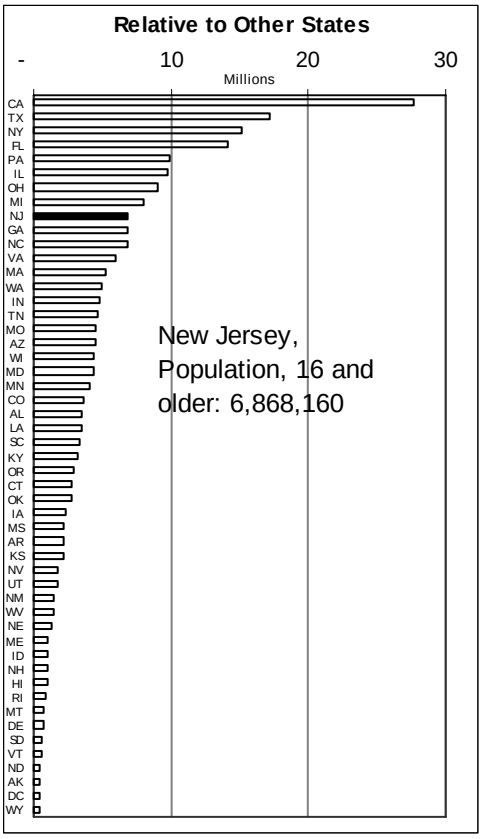
Annual Driver's License Issuances:	2,700,000
Annual ID Card Issuances:	15,000
Total Licenses and IDs on File:	6,200,000
Machine Readable:	1D barcode
Maintain Source Documents:	Digital
Total Number of Issuing Sites:	47
Total Number of Full-Time Employees:	800 field, 0 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	17
Contract Cost per Card:	$0.75

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	200,000	15,000	***215,000***
Renewal (reissuance of a record on file)	324,927	37,698	***362,625***
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***524,927***	***52,698***	***577,625***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 200	Alternative issuance method: NA	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: 20 to 35	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 150,000 DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
NJ MVC established a "6 Point Identification Verification" system which standardized how an applicant verifies his identity. Certain documents are considered "Primary" (and given a four-point value), while others are considered "Secondary" (and carry a two-point value). There is also a limit on the number of secondary documents accepted. This process was implemented with the digital license program to ensure that the right person is enrolled in the digital picture database. Along with the "6 Point ID" program, a check of the SSA database is made to verify SSN before licensing a driver. In the renewal process, the picture can be used as another means to verify identity.
Impact of resolving social security number discrepancies:
The CDLIS /PDPS helpdesk responsibility will have to be expanded to include dealing inter-jurisdictional matters on non-commercial drivers. Should appropriate action be necessary, the State can suspend the license of a driver who provides false information.
Impact of ensuring that another state has not issued a DL to applicant:
This is a large effort. On a scale of 1 to 10, this rates as a 10 effort. Introducing the "all driver license" search with licensing practices in the motor vehicle offices creates a number of customer service challenges. The "all driver search" will increase the number of exceptions that have to be handled by field staff. Technically, it will rival the commercial driver license project of the late 80's.
Impact of maintaining a database containing DL data and driver history:
Little impact as this already exists
Impact of providing other states with access to the database of drivers and driver histories:
NJ would like to use the infrastructure in place to facilitate commercial driver license access to State data. Absent that system, the check can only be done if the customer identifies the last State of record.
Impact of Social Security Online Verification (SSOLV) Requirement:
Today, NJ MVC has a SSOLV interface (to verify a social security number)**.**
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
A connection to the SAVE program is also operational. NJ has access to the SAVE program and uses it to verify information on cases. To make it an integrated function with license issuance would be sizeable effort, and would require INS to improve on the availability of data.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
DEERS, other jurisdiction check, and third party would all be new interfaces with operational components not yet defined.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
As stated earlier, any alteration of the card, due to limited real estate, would necessitate a costly redesign of the card.
Impact of requiring legal presence by applicants:
Current NJ Law requires authorized presence in the United States. Proof must be submitted in order to qualify for a NJ license.
Impact of capturing and storing all source documents as digital image files:
Requirements for the archiving of Identity documents (or any other need for imaging) will change the dynamics of Motor Vehicles' IT systems. There will be several profound changes as a result of this technology:
- Greatly enhanced document retrieval after capture
- Possible implications to the customer throughput to take the time to capture documents
- Likely impact to the network traffic due to the bulk capture of documents over a distributed network (point of service capture, unlike taxation mail in processing for example).

Depending on the requirements of imaging, it may be necessary to decentralize hardware to handle the load, and/or deal with distributed capture but centralized enterprise-wide delivery of imaging. Quality of document images is at odds with network bandwidth to deliver the resulting images. Network traffic studies including transaction volume, quality of images, retention,

geographic distribution and use, timeliness of retrieval, and centralization vs. de-centralization are all factors that would be appropriate in planning for imaging technology.

Impact of subjecting each applicant to mandatory facial image capture:

This is underway in NJ. According to current law, that image is good for eight years before another image is required.

Impact of using an electronic, online or automated authentication system for birth certificate verification:

Birth certificate and third party would all be new interfaces with operational components not yet defined.

Impact of creating a fraud document training program:

Training for all agency, and support staff, is a large part of the initiative and of great importance to the Commission.

Impact of ensuring physical security at driver's license/ID card production facilities:

The NJMVC is currently issuing licenses at 45 field locations. In October 2005, the 46th agency will open. All processes are completed at agency counters. DDL hardware is secured to the counter with a locking device. Consumables are safely out of reach from the general public. When not in use, the equipment is shut down, the security key is removed, and all consumables are stored in a locked and alarmed safe.

Impact of requiring employees to clear appropriate security clearance requirements:

The State already does a complete background check on all employees working for the Commission.

Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":

Again this would entail a re-design of the digital document and some programming changes to differentiate a certificate of driving from a driver license/identity document.

Process/Formula used to determine the number of employees necessary to perform specific tasks:

Not so much a formula as much as the method referenced above. Volume, of course, and complexity of the transaction (e.g., questionable ID documents) can always dictate the number of staff needed for any given transaction.

Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:

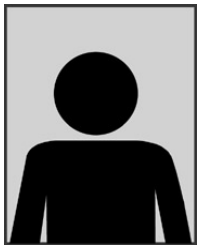
NJ MVC issues a digital license today that is tied to an individual's length of stay.

Impact of amending the ID expiration date to show that it is "different than usual:"

The digital license is limited in real estate, so this requirement, along with others in the Real ID Act, will force a redesign of the document. This change requires working with the State's vendor on a redesign and extensive testing of a new document; much like the effort put forth on the initial design of the State's digital license.

New Mexico

New Mexico Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

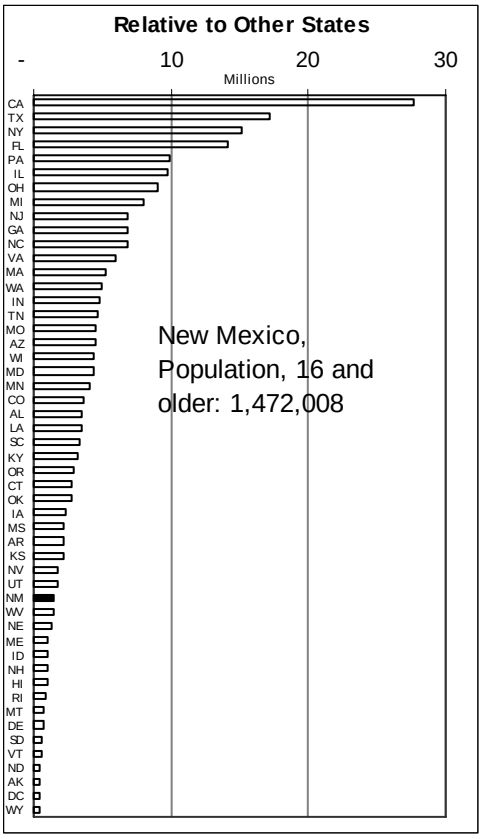
Annual Driver's License Issuances:	455,115
Annual ID Card Issuances:	82,391
Total Licenses and IDs on File:	1,609,729
Machine Readable:	Magnetic strip
Maintain Source Documents:	No
Total Number of Issuing Sites:	85
Total Number of Full-Time Employees:	318 field, 10 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	8
Youngest Card Issuance Age:	None
Contract Cost per Card:	NA

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	449,214	251,300	***700,514***
Renewal (reissuance of a record on file)	2,341,564	90,420	***2,431,984***
Duplicate (including replacements and name/address changes)	845,097	45,734	***890,831***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	488,814	50,742	***539,556***
Total	***4,124,689***	***438,196***	***4,562,885***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 157	Alternative issuance method: Yes	Fraud document training program currently being used: No Training	Number of people involved in the driver's license issuance process: NA	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

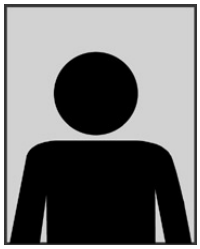
Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Will need to evaluate current procedures against minimum requirements and also evaluate need for any legislation and/or regulations to implement.
Impact of resolving social security number discrepancies:
Would need to develop and implement procedures to accomplish this. Need funding.
Impact of ensuring that another state has not issued a DL to applicant:
Initially will require phone call to the previous state then, when electronic verification is available, check will be done electronically. Will require funding and large staff until electronic verification is available.
Impact of maintaining a database containing DL data and driver history:
Already in existence
Impact of providing other states with access to the database of drivers and driver histories:
Will require legislative support for funding for IT staff, development and implementation of a system, training MVD staff, maintaining the system.
Impact of Social Security Online Verification (SSOLV) Requirement:
Implemented
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Need to implement
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Need to implement
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Will have to evaluate current procedures
Impact of requiring legal presence by applicants:
Will require legislative approval to change to requiring legal presence
Impact of capturing and storing all source documents as digital image files:
No budget for this. May need federal legislation to allow DMVs to copy any document used in issuance of DL/Ids

Impact of subjecting each applicant to mandatory facial image capture:
Already doing this.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Implemented visually, not electronically
Impact of creating a fraud document training program:
Some training being conducted now. Will need classrooms strategically located throughout the state. Will have to expand the curriculum. Will have to increase the training staff. Will have to get the training staff certified to teach the course(s)
Impact of ensuring physical security at driver's license/ID card production facilities:
Will require re-evaluation of existing security measures in the three types of offices (MVD owned and operated, City/county owned and operated, private owned and operated) offices.
Possible need for funding to upgrade MVD offices and similar funding need for other office types.
Impact of requiring employees to clear appropriate security clearance requirements:
Will require evaluation of all office type clearance procedures and standardizing them.
Need to determine who will do the clearances for each type of office and what the cost will be.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Will need legislative approval
Process/Formula used to determine the number of employees necessary to perform specific tasks:
NA
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Possible legislative action due to political sensitivity. If so, this will delay implementation, if approved, probably until our FY08 session (the next long session).
Impact of amending the ID expiration date to show that it is "different than usual:"
Possible legislative action due to political sensitivity. If so, this will delay implementation, if approved, probably until our FY08 session (the next long session).

New York Driver's License



** Full Legal Name
** Date of Birth
** Gender
** Card Number
** Digital Photograph
** Address
** Signature

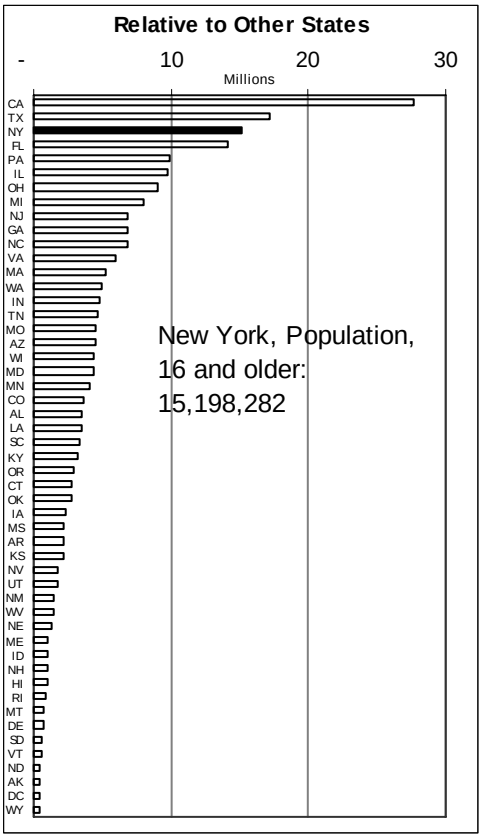
**

New York

(**Note: New York requested that their responses not be published.)

Key Statistics:

Annual Driver's License Issuances:	**
Annual ID Card Issuances:	**
Total Licenses and IDs on File:	**
Machine Readable:	1D, 2D bar
Maintain Source Documents:	**
Total Number of Issuing Sites:	**
Total Number of Full-Time Employees:	**
Issuance Process:	**
Maximum Valid Card Issuance Term:	8 years
Youngest Card Issuance Age:	**
Contract Cost per Card:	**



Accepted Verification Documents:

	Verify	
Social Security Number	**	**
Birth Certificate	**	**
Authenticate Address	**	**
Military Documents	**	**

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 5

Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	**	**	**
Renewal (reissuance of a record on file)	**	**	**
Duplicate (including replacements and name/address changes)	**	**	**
Reinstatements (reissuance for compliance received)	**	**	**
Other	**	**	**
Total	**	**	**

Issuance Process

Issue license or identification documents without applicant's photograph: Response not published.	Annual issuance total for documents without a picture: Response not published.	Alternative issuance method: Response not published.	Fraud document training program currently being used: Response not published.	Number of people involved in the driver's license issuance process: Response not published.	Number of employees involved in issuance of hybrid cards (if applicable): Response not published.

Application Process for Immigrants

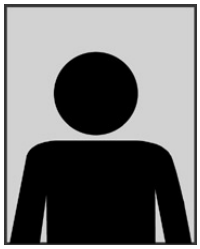
Temporary DL/ID to temporary immigrants for a term based on immigration status: Response not published.	Corresponding ID expiration date and immigration forms expiration date: Response not published.	Number of temporary immigrant DL/IDs issued annually: Response not published.	Use of Systematic Alien Verification for Entitlements (SAVE) system: Response not published.	Electronic verification of the legal presence of applicants: Response not published.

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Response not published.
Impact of resolving social security number discrepancies:
Response not published.
Impact of ensuring that another state has not issued a DL to applicant:
Response not published.
Impact of maintaining a database containing DL data and driver history:
Response not published.
Impact of providing other states with access to the database of drivers and driver histories:
Response not published.
Impact of Social Security Online Verification (SSOLV) Requirement:
Response not published.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Response not published.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Response not published.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Response not published.
Impact of requiring legal presence by applicants:
Response not published.
Impact of capturing and storing all source documents as digital image files:
Response not published.
Impact of subjecting each applicant to mandatory facial image capture:
Response not published.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Response not published.
Impact of creating a fraud document training program:
Response not published.
Impact of ensuring physical security at driver's license/ID card production facilities:
Response not published.
Impact of requiring employees to clear appropriate security clearance requirements:
Response not published.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Response not published.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
Response not published.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Response not published.
Impact of amending the ID expiration date to show that it is "different than usual:"
Response not published.

North Carolina

North Carolina Driver's License



--

Full Legal Name
Date of Birth
Gender
Card Number
Digital Photograph
Address
Signature

Key Statistics:

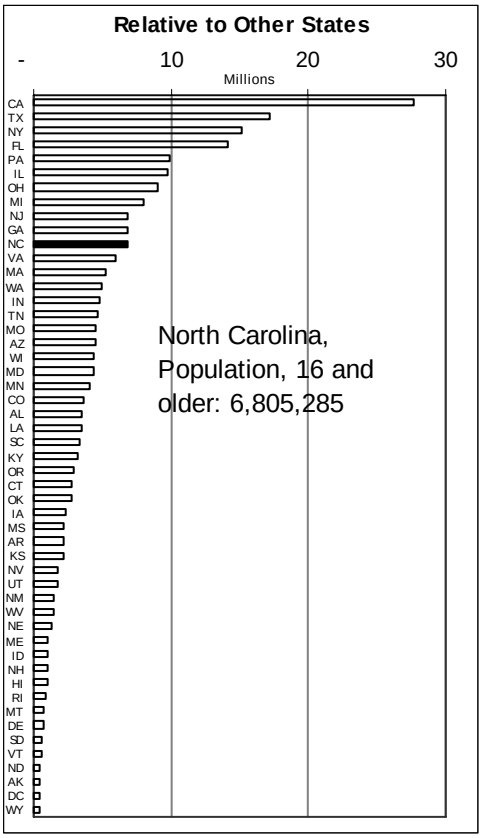
Annual Driver's License Issuances:	2,178,504
Annual ID Card Issuances:	220,286
Total Licenses and IDs on File:	7,257,822
Machine Readable:	2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	146
Total Number of Full-Time Employees:	530 field, 32 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	8
Youngest Card Issuance Age:	None
Contract Cost per Card:	$1.05

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	
Military Documents	No	

Document retention methods to change under Real ID: Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	612,360	144567	***756,927***
Renewal (reissuance of a record on file)	899,350	75719	***975,069***
Duplicate (including replacements and name/address changes)	666,794	--	***666,794***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***2,178,504***	***220286***	***2,398,790***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: 0	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: NA	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

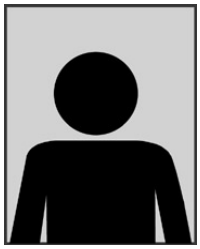
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: NA	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
--
Impact of resolving social security number discrepancies:
--
Impact of ensuring that another state has not issued a DL to applicant:
--
Impact of maintaining a database containing DL data and driver history:
--
Impact of providing other states with access to the database of drivers and driver histories:
--
Impact of Social Security Online Verification (SSOLV) Requirement:
--
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
--
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
--
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
--
Impact of requiring legal presence by applicants:
--
Impact of capturing and storing all source documents as digital image files:
--
Impact of subjecting each applicant to mandatory facial image capture:
--
Impact of using an electronic, online or automated authentication system for birth certificate verification:
--
Impact of creating a fraud document training program:
--
Impact of ensuring physical security at driver's license/ID card production facilities:
--
Impact of requiring employees to clear appropriate security clearance requirements:
--
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
--
Process/Formula used to determine the number of employees necessary to perform specific tasks:
NA
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
--
Impact of amending the ID expiration date to show that it is "different than usual:"
--

North Dakota

North Dakota Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

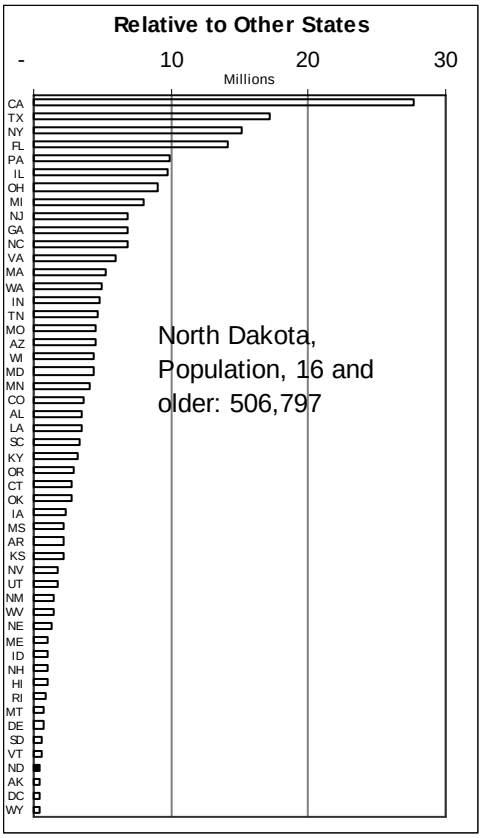
Annual Driver's License Issuances:	179,189
Annual ID Card Issuances:	13,127
Total Licenses and IDs on File:	542,237
Machine Readable:	2D barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	44
Total Number of Full-Time Employees:	40 field, 4 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4
Youngest Card Issuance Age:	None
Contract Cost per Card:	$2.21

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID: Yes

Source Documents to Verify Identification: 1



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	35,280	13,127	***48,407***
Renewal (reissuance of a record on file)	104,432	--	***104,432***
Duplicate (including replacements and name/address changes)	28,466	--	***28,466***
Reinstatements (reissuance for compliance received)	11,011	--	***11,011***
Other	--	--	***--***
Total	***179,189***	***13,127***	***192,316***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: 0	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: 44	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Unknown
Impact of resolving social security number discrepancies:
None
Impact of ensuring that another state has not issued a DL to applicant:
Unknown
Impact of maintaining a database containing DL data and driver history:
Existing legacy system in need of redesign
Impact of providing other states with access to the database of drivers and driver histories:
Unknown
Impact of Social Security Online Verification (SSOLV) Requirement:
Implemented (No impact)
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
SAVE - $.28-$.48 per query $7,600, Minimal if site automated
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
UKN requirements UKN Impact
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
$380,000
Impact of requiring legal presence by applicants:
NA
Impact of capturing and storing all source documents as digital image files:

$528,000 (Document scanners)

$36,000 hardware,

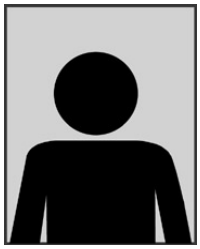
$160,000 network costs

$25,600 Printers

$320,000 Additional DDLS costs

Impact of subjecting each applicant to mandatory facial image capture:
None
Impact of using an electronic, online or automated authentication system for birth certificate verification:
$20,000 Implementation - $11,000 per annum
Impact of creating a fraud document training program:
$15,000
Impact of ensuring physical security at driver's license/ID card production facilities:
$220,000
Impact of requiring employees to clear appropriate security clearance requirements:
$2,400
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
NA
Process/Formula used to determine the number of employees necessary to perform specific tasks:
We do not have a formula to determine the number of staff. Requests for full time employees must be approved by the Legislature.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
$10,000
Impact of amending the ID expiration date to show that it is "different than usual:"
$20,000

Ohio Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Ohio

Key Statistics:

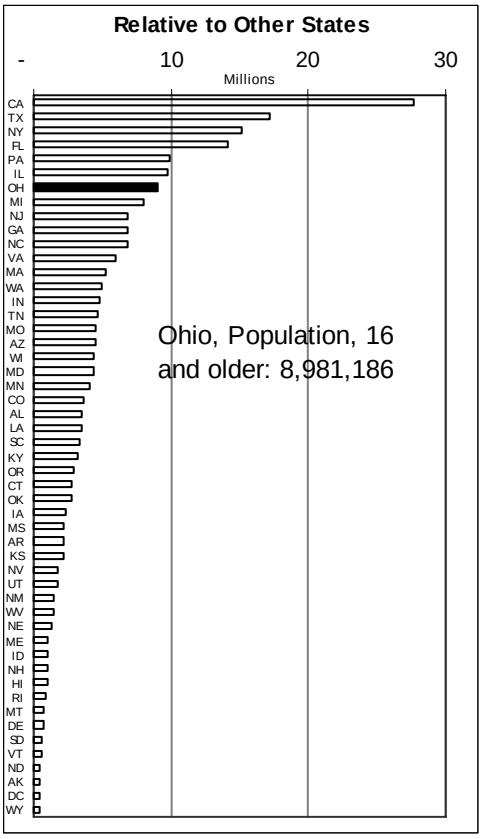
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	8,532,798
Machine Readable:	1-D bar, Mag stripe
Maintain Source Documents:	No, 7 years
Total Number of Issuing Sites:	215
Total Number of Full-Time Employees:	1500 field, 50 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4 years
Youngest Card Issuance Age:	2
Contract Cost per Card:	$0.74

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* No

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	199,372	257,111	***456,483***
Renewal (reissuance of a record on file)	1,884,447	48,597	***1,933,044***
Duplicate (including replacements and name/address changes)	396,592	64,011	***460,603***
Reinstatements (reissuance for compliance received)	448,998	--	***448,998***
Other	--	--	**--**
Total	***2,929,409***	***369,719***	***3,299,128***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 1,250	Alternative issuance method: Yes	Fraud document training program currently being used: Periodically conducts FDR training	Number of people involved in the driver's license issuance process: 1,500	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

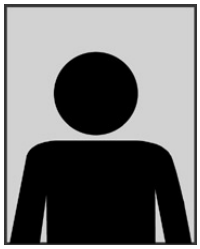
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 58,327 DL/ 7,678 ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Rapid retrieval for massive repository of stored images
Impact of resolving social security number discrepancies:
An individual must confirm SSN with the SSA. If a discrepancy is found, an individual must resolve the issue with SSA.
Impact of ensuring that another state has not issued a DL to applicant:
Noncompliant
Impact of maintaining a database containing DL data and driver history:
Compliant
Impact of providing other states with access to the database of drivers and driver histories:
Noncompliant
Impact of Social Security Online Verification (SSOLV) Requirement:
Already in compliance
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Programming changes will be necessitated. MOU required by September 2005.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Noncompliant
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Compliant
Impact of requiring legal presence by applicants:
Compliant
Impact of capturing and storing all source documents as digital image files:
Programming changes will be necessitated. Additional equipment and computer hardware/software requirements. Counter space requirements and power supply sources may be impacted.
Impact of subjecting each applicant to mandatory facial image capture:
Already in compliance; however, the Amish do not have photos produced on license/ID cards.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Noncompliant
Impact of creating a fraud document training program:
Noncompliant with AAMVA standard
Impact of ensuring physical security at driver's license/ID card production facilities:
Compliant
Impact of requiring employees to clear appropriate security clearance requirements:
Compliant
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Noncompliant, OH presently has legal presence requirements
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No formula is used. The agencies maintain a staffing level that will sufficiently serve the public in their local.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Already in compliance
Impact of amending the ID expiration date to show that it is "different than usual:"
Already in compliance

Oklahoma

Oklahoma Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Key Statistics:

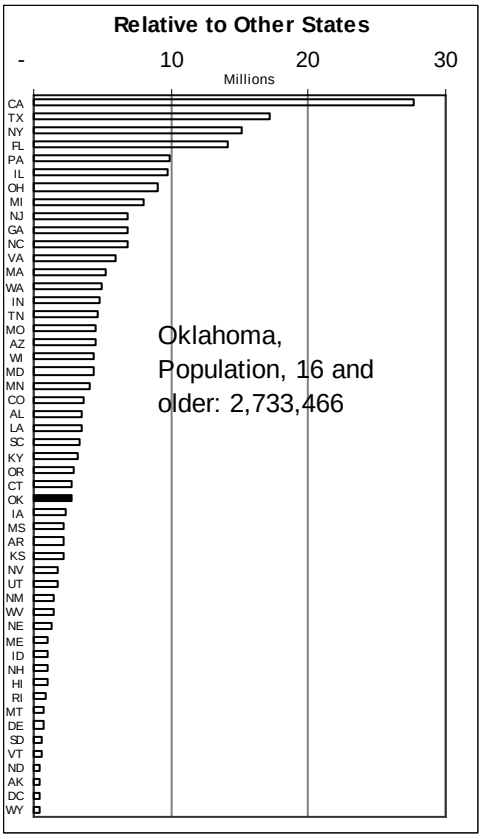
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	2,626,717
Machine Readable:	1-D, 2D barcodes
Maintain Source Documents:	No
Total Number of Issuing Sites:	344
Total Number of Full-Time Employees:	1450 field/ NA HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4 years
Youngest Card Issuance Age:	0
Contract Cost per Card:	$2.14

Accepted Verification Documents:

	Verify	
Social Security Number	No	
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	107,498	44,031	***151,529***
Renewal (reissuance of a record on file)	624,438	26,549	***650,987***
Duplicate (including replacements and name/address changes)	221,720	21,764	***243,484***
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***953,656***	***92,344***	***1,046,000***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA, Highway Patrol DL Fraud	Number of people involved in the driver's license issuance process: 1,000	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

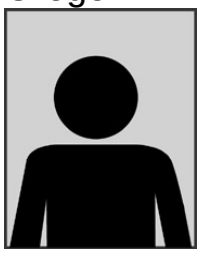
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Unknown until assumptions are addressed. Non-CDL renewals are done by third parties with no on-site oversight by the state. CDL renewals are done by state examiners, who will be able to verify CDL renewals with equipment and procedures required for initial source document verification.
Impact of resolving social security number discrepancies:
Unknown until assumptions are addressed. What OK has required the applicant to resolve is now being put on the state to resolve.
Impact of ensuring that another state has not issued a DL to applicant:
Unknown until assumptions are addressed, but probably significant
Impact of maintaining a database containing DL data and driver history:
None, OK is in compliance
Impact of providing other states with access to the database of drivers and driver histories:
Unknown until assumptions are addressed since a nationwide system already exists
Impact of Social Security Online Verification (SSOLV) Requirement:
No answer
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Significant. Even with the assumptions, startup and ongoing funding for equipment and personnel time will be required for Oklahoma to implement and develop interface to these database
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Significant. Even with the assumptions, startup and ongoing funding for equipment and personnel time will be required for Oklahoma to implement and develop interface to these database.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Unknown until assumptions are addressed. However, if current document design does not meet federal standards, redesign would cause significant impact.
Impact of requiring legal presence by applicants:
None, OK is in compliance

Impact of capturing and storing all source documents as digital image files:
Significant. With about 70 examination sites and 280 third party issuance sites, each site would need to be equipped with a system capable of capturing and digitizing these source documents. Our current DL/ID vendor has a system which complies with many requirements of the Real ID Act (verifies documents and addresses, and captures digital images) at a cost of $10,000 per system.
Impact of subjecting each applicant to mandatory facial image capture:
None, OK already in compliance
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Significant. Even with the assumptions, startup and ongoing funding for equipment and personnel time will be required for Oklahoma to implement and develop interface to these database.
Impact of creating a fraud document training program:
Significant, even before assumptions are addressed. Apparently the Real ID Act makes the assumption that document verification and DL/ID issuance are done at the same location or at least by the same entity. This is not true in Oklahoma, where DL Examiners (state employees) verify documentation and authorize issuance of the DL/ID, which is done by a third party vendor. Oklahoma has 280 third party issuance sites, with over 1,000 employees and a high rate of turnover. While DL Examiners are trained in AAMVA's FDR, the third party vendors have never had this training.
Impact of ensuring physical security at driver's license/ID card production facilities:
Significant, even before assumptions are addressed. Oklahoma has 280 third party issuance sites. This requirement may cause implementation of alternate issuance procedures.
Impact of requiring employees to clear appropriate security clearance requirements:
Significant, even before assumptions are addressed. Oklahoma has 280 third party issuance sites, with over 1,000 employees and a high rate of turnover. This requirement may cause implementation of alternate issuance procedures.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
OK does not foresee implementing this option.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
None, OK is already compliant in practice
Impact of amending the ID expiration date to show that it is "different than usual:"
Minimal, although will require changes in law

Oregon Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- Address
- ✓ Signature

Oregon

Key Statistics:

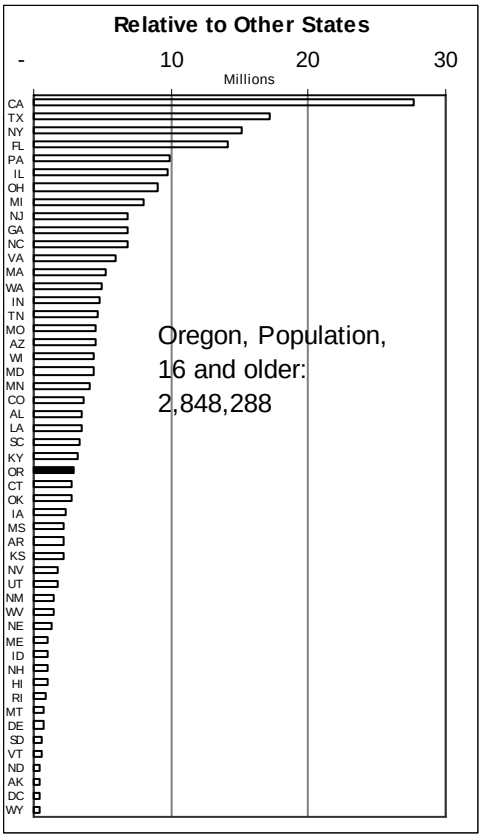
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	3,100,000
Machine Readable:	1-D, 2D barcodes
Maintain Source Documents:	Not specified, 10 years
Total Number of Issuing Sites:	64
Total Number of Full-Time Employees:	420 field/ 10 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	8 years
Youngest Card Issuance Age:	16
Contract Cost per Card:	$1.50

Accepted Verification Documents:

	Verify	
Social Security Number	No	
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	170,000	75,000	***245,000***
Renewal (reissuance of a record on file)	241,000	43,000	***284,000***
Duplicate (including replacements and name/address changes)	157,000	33,000	***190,000***
Reinstatements (reissuance for compliance received)	180,000	--	***180,000***
Other	--	--	**--**
Total	***748,000***	***151,000***	***899,000***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 3,500	Alternative issuance method: Yes	Fraud document training program currently being used: Developed and 8-hr FDR program	Number of people involved in the driver's license issuance process: No Answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: No	Number of temporary immigrant DL/IDs issued annually: NA DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

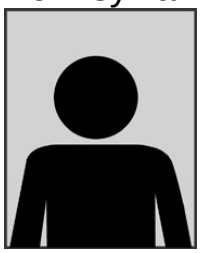
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
No impact, currently have a process to verify a persons identity at renewal time
Impact of resolving social security number discrepancies:
Requires a process change, additional FTE. Unfunded fiscal impact.
Impact of ensuring that another state has not issued a DL to applicant:
Need system (like CDLIS) that shows licenses in other states. Cannot be done today.
Impact of maintaining a database containing DL data and driver history:
Possible rule or policy change
Impact of providing other states with access to the database of drivers and driver histories:
Requires statute change, system change, rule or policy change. Unfunded fiscal impact
Impact of Social Security Online Verification (SSOLV) Requirement:
Requires Memorandum of Agreement, system changes to use SSOLV, procedure changes, additional FTE to verify, legislative direction to verify for all transactions. Unfunded fiscal impact
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Requires system changes. Cost for programming and use.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Requires rule or policy change, MOA, system changes to use SAVE, procedure change, additional FTE to verify. Unfunded fiscal impact
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Requires system changes. Current contract with vendor allows for new card design.
Impact of requiring legal presence by applicants:
Requires statute change, system changes, additional FTE. Unfunded fiscal impact.
Impact of capturing and storing all source documents as digital image files:
Requires policy or rule change, purchase of new equipment, system changes to capture/store document images, additional FTE. Unfunded fiscal impact.

Impact of subjecting each applicant to mandatory facial image capture:
Requires a process change to take photo of person at beginning of process, requires system change.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Requires system to easily access birth certificate information, possible system changes, requires procedure change, requires rule or policy change. Unfunded fiscal impact.
Impact of creating a fraud document training program:
Currently do fraudulent document training. Possible changes to the training depend on federal rules.
Impact of ensuring physical security at driver's license/ID card production facilities:
We currently have security procedures in place to make our issuing offices and materials secure. We will only be impacted if federal rules require specification we are not currently doing.
Impact of requiring employees to clear appropriate security clearance requirements:
Requires rule/policy changes. May require Union contractual agreements/change. Unfunded fiscal impact to do background checks on all employees who produce DLs/IDs. We currently do background checks for all new field office employees.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Requires statute change, system changes, a new card design. Unfunded fiscal impact.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Requires statute change, system changes, additional FTE. Unfunded fiscal impact.
Impact of amending the ID expiration date to show that it is "different than usual:"
Requires system changes. If only adding "temporary" and changing expiration date, will not need new vendor contract. Unfunded fiscal impact.

Pennsylvania

Pennsylvania Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

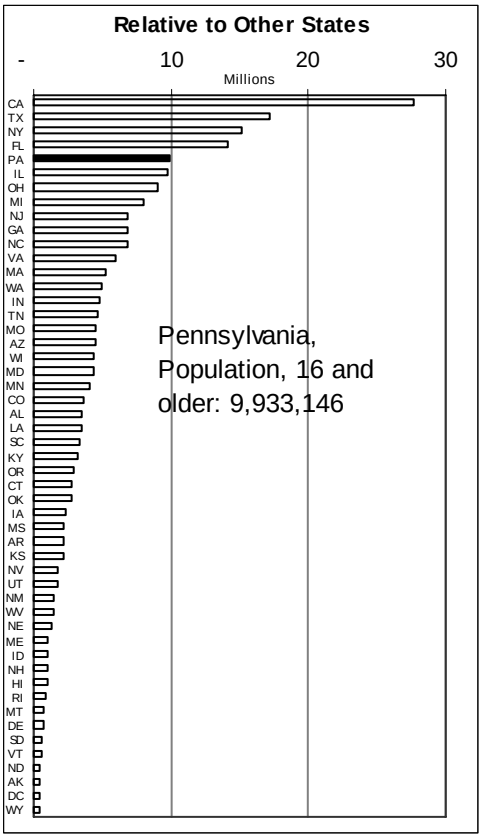
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	9,000,000
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	Not specified, Indefinite
Total Number of Issuing Sites:	71
Total Number of Full-Time Employees:	1440 field/ 210 HQ
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	4 years
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.64

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	250,000	93,000	***343,000***
Renewal (reissuance of a record on file)	2,100,000	130,000	***2,230,000***
Duplicate (including replacements and name/address changes)	500,000	18,000	***518,000***
Reinstatements (reissuance for compliance received)	187,500	--	***187,500***
Other	--	--	***--***
Total	***3,037,500***	***241,000***	***3,278,500***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 192,100	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 16,500 DL/3,500 ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

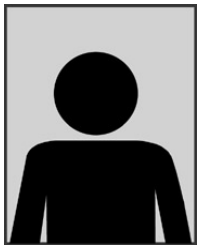
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
If acceptable to only verify social security number, the impact would be minimal. If required to verify all source documents, cost to PA is included in the $68.15 million (through FY13) estimated total cost of recredentialing all existing drivers. (Cost estimate shown in Exhibit A of Real ID Act Survey)
Impact of resolving social security number discrepancies:
How will we determine that social security needs to provide additional information? Currently the customer resolved discrepancies with social security prior to a product being delivered. This would be impossible for the states to resolve.
Impact of ensuring that another state has not issued a DL to applicant:
The development of an all state non-commercial driver's license pointer system and the integration of the system into PA's system. Cost to PA is included in the $16.5 million (through FY13) estimated total cost for system modifications. (Cost estimate shown in Exhibit A of Real ID Act Survey)
Impact of maintaining a database containing DL data and driver history:
PA complies with the exception of full legal name with will require extensive system modifications to an existing legacy system. Cost to PA is included in the $16.5 million (through FY13) estimated total cost for system modifications. (Cost estimate shown in Exhibit A of Real ID Act Survey)
Impact of providing other states with access to the database of drivers and driver histories:
The development of an all state non-commercial driver's license pointer system and the integration of the system into PA's system. Cost to PA is included in the $16.5 million (through FY13) estimated total cost for system modifications. (Cost estimate shown in Exhibit A of Real ID Act Survey)
Impact of Social Security Online Verification (SSOLV) Requirement:
PA complies
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Requires system modifications to support an interactive online verification. Cost to PA is included in the $16.5 million (through FY13) estimated total cost for system modifications. (Cost estimate shown in Exhibit A of Real ID Act Survey)

Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Need clarification
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
PA complies
Impact of requiring legal presence by applicants:
PA complies
Impact of capturing and storing all source documents as digital image files:
Will need imaging equipment and system infrastructure at front line to capture, electronically transfer state-to-state, and store images. Cost to PA is included in the $68.15 million (through FY13) estimated total cost of recredentialing all existing drivers and in the $0.35 million (through FY13) estimated total cost of changes to license document. (Cost estimates shown in Exhibit A of Real ID Act Survey)
Impact of subjecting each applicant to mandatory facial image capture:
PA complies with the exception of the valid-without-photo driver's license.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Requires the development of an automated nationwide birth certificate verification system.
Impact of creating a fraud document training program:
PA complies
Impact of ensuring physical security at driver's license/ID card production facilities:
PA complies with numerous security measures such as alarms, motion detectors, back-up battery systems, etc.
Impact of requiring employees to clear appropriate security clearance requirements:
PA complies – criminal history checks are completed on all employees and contractors.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
PA complies
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
PA already ties end of stay to license expiration.
Impact of amending the ID expiration date to show that it is "different than usual:"
Currently, the license expiration date coincides with the temporary INS credentials. This unique expiration date is used as a visual indicator for law enforcement. PA does not print "temporary" on the driver's license. Cost to PA to change existing practice is included in the $0.35 million (through FY13) estimated total cost of changes to license document. (Cost estimates shown in Exhibit A of Real ID Act Survey)

Puerto Rico

Puerto Rico Driver's License



-- Full Legal Name
-- Date of Birth
-- Gender
-- Card Number
-- Digital Photograph
-- Address
-- Signature

--

Key Statistics:

Annual Driver's License Issuances:	--
Annual ID Card Issuances:	--
Total Licenses and IDs on File:	--

Machine Readable:	--
Maintain Source Documents:	--
Total Number of Issuing Sites:	--
Total Number of Full-Time Employees:	--
Issuance Process:	--
Maximum Valid Card Issuance Term:	--
Youngest Card Issuance Age:	--

Contract Cost per Card: --

Accepted Verification Documents:

	Verify
Social Security Number	--
Birth Certificate	--
Authenticate Address	--
Military Documents	--

Document retention methods to change under Real ID*:* --

Source Documents to Verify Identification: --

Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	**--**	**--**	**--**

Issuance Process

Issue license or identification documents without applicant's photograph: --	Annual issuance total for documents without a picture: --	Alternative issuance method: --	Fraud document training program currently being used: --	Number of people involved in the driver's license issuance process: No Answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

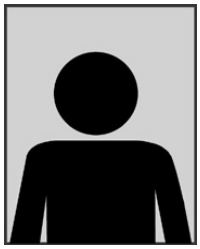
Temporary DL/ID to temporary immigrants for a term based on immigration status: --	Corresponding ID expiration date and immigration forms expiration date: --	Number of temporary immigrant DL/IDs issued annually: --	Use of Systematic Alien Verification for Entitlements (SAVE) system: --	Electronic verification of the legal presence of applicants: --

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
--
Impact of resolving social security number discrepancies:
--
Impact of ensuring that another state has not issued a DL to applicant:
--
Impact of maintaining a database containing DL data and driver history:
--
Impact of providing other states with access to the database of drivers and driver histories:
--
Impact of Social Security Online Verification (SSOLV) Requirement:
--
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
--
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
--
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
--
Impact of requiring legal presence by applicants:
--
Impact of capturing and storing all source documents as digital image files:
--
Impact of subjecting each applicant to mandatory facial image capture:
--
Impact of using an electronic, online or automated authentication system for birth certificate verification:
--
Impact of creating a fraud document training program:
--
Impact of ensuring physical security at driver's license/ID card production facilities:
--
Impact of requiring employees to clear appropriate security clearance requirements:
--
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
--
Process/Formula used to determine the number of employees necessary to perform specific tasks:
--
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
--
Impact of amending the ID expiration date to show that it is "different than usual:"
--

Rhode Island

Rhode Island Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

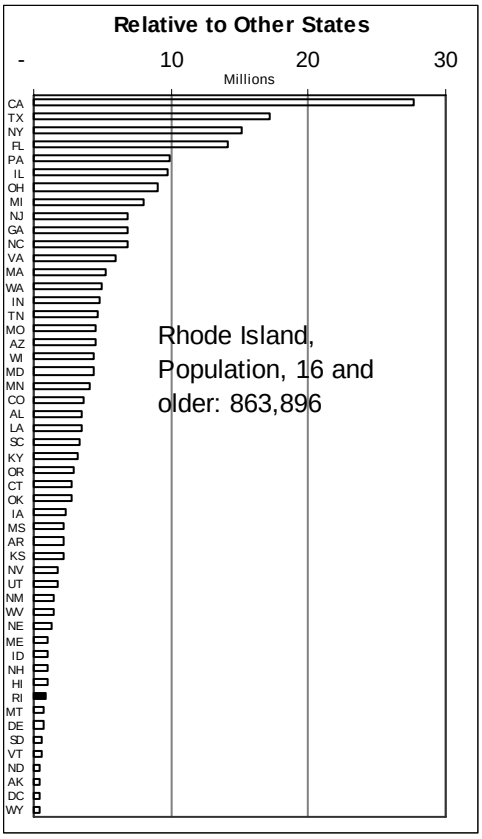
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	792,594
Machine Readable:	Barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	22
Total Number of Full-Time Employees:	15 field/ 16 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	5 years
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.00

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	22,800	13,612	***36,412***
Renewal (reissuance of a record on file)	165,250	2,800	***168,050***
Duplicate (including replacements and name/address changes)	83,800	6,400	***90,200***
Reinstatements (reissuance for compliance received)	21,380	--	***21,380***
Other	10,200	--	***10,200***
Total	***303,430***	***22,812***	***326,242***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 414	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

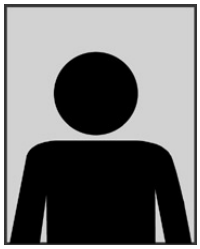
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 1,252 DL/ No response ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
No answer
Impact of resolving social security number discrepancies:
None
Impact of ensuring that another state has not issued a DL to applicant:
None
Impact of maintaining a database containing DL data and driver history:
None
Impact of providing other states with access to the database of drivers and driver histories:
Technological/ Financial
Impact of Social Security Online Verification (SSOLV) Requirement:
Technological/ Financial
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Technological/ Financial
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Technological/ Financial
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Technological/ Financial
Impact of requiring legal presence by applicants:
Financial/ Personnel
Impact of capturing and storing all source documents as digital image files:
Financial
Impact of subjecting each applicant to mandatory facial image capture:
None
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Technological/ Financial
Impact of creating a fraud document training program:
Financial/ Personnel
Impact of ensuring physical security at driver's license/ID card production facilities:
None
Impact of requiring employees to clear appropriate security clearance requirements:
None
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Technological/ Financial
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No answer
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Technological/ Financial
Impact of amending the ID expiration date to show that it is "different than usual:"
Technological/ Financial, Personnel – Training for DMV & Law enforcement

South Carolina

South Carolina Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

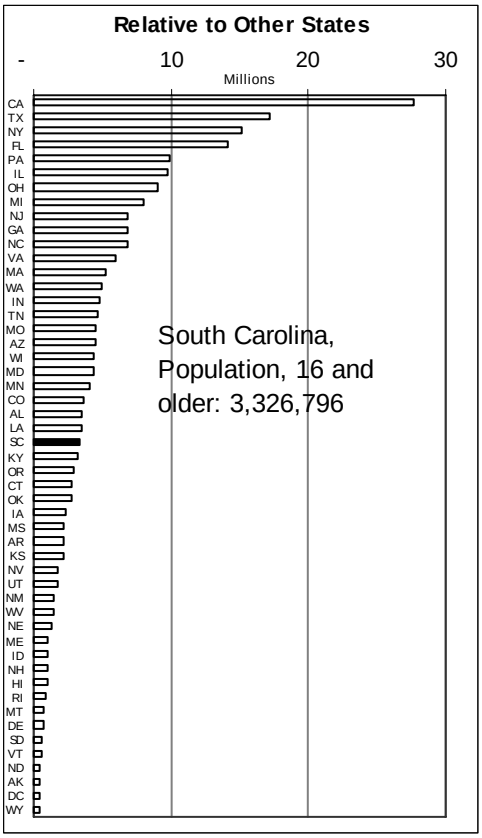
Annual Driver's License Issuances:	1,684,738
Annual ID Card Issuances:	264,100
Total Licenses and IDs on File:	1,948,838
Machine Readable:	2D bar, Mag stripe
Maintain Source Documents:	Both, Indefinite
Total Number of Issuing Sites:	67
Total Number of Full-Time Employees:	848
Issuance Process:	Hybrid
Maximum Valid Card Issuance Term:	10
Youngest Card Issuance Age:	5
Contract Cost per Card:	No cost

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SOLV
Birth Certificate	Yes	Visual
Authenticate Address	Yes	Database
Military Documents	--	No

Document retention methods to change under Real ID: Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	167,000	49,100	***216,100***
Renewal (reissuance of a record on file)	601,500	79,900	***681,400***
Duplicate (including replacements and name/address changes)	15,600	100	***15,700***
Reinstatements (reissuance for compliance received)	35,238	5,000	***40,238***
Other	865,400	130,000	***995,400***
Total	***1,684,738***	***264,100***	***1,948,8381,948,838***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: No answer	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: 884	Number of employees involved in issuance of hybrid cards (if applicable): 94

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 29,000 DL/No answer ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

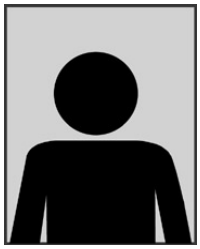
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Will require two step process or back end verification. Additional verification resources $440,000. Policy change, Process change. Training $30,000.
Impact of resolving social security number discrepancies:
Additional staff to resolve discrepancies with SS administration and other primary agencies. $220,000.
Impact of ensuring that another state has not issued a DL to applicant:
Through PDPS and CDLIS?
Impact of maintaining a database containing DL data and driver history:
Need information here.
Impact of providing other states with access to the database of drivers and driver histories:
System requirements to link all state databases (through AAMVA?)
Impact of Social Security Online Verification (SSOLV) Requirement:
Currently real time for CDL. Going real time for all DC will increase processing time for each transaction by about 30 seconds. Will increase repeat visits for customers not matching.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Not currently connected—increase processing time since it requires manual entry for each transaction. Total processing cost TBD. System update costs TBD.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Allow use of military ID to verify identity only for people born before 1918 and then only in conjunction with another identify document. Impact negligible, more so as time goes forward. Do not currently have access to DEERS system. System update costs TBD.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Statutory change. Policy change. Program change cost TBD.

Impact of requiring legal presence by applicants:
Statutory Change. Policy and process change. Training $210,000.
Impact of capturing and storing all source documents as digital image files:
Need information here.
Impact of subjecting each applicant to mandatory facial image capture:
Already required- no impact. (Do we allow people to not have their picture taken for religious reasons?)
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Tie in with state's birth certificate databases. System update costs TBD.
Impact of creating a fraud document training program:
Expand fraud training $181,000.
Impact of ensuring physical security at driver's license/ID card production facilities:
Increased building security cost TBD.
Impact of requiring employees to clear appropriate security clearance requirements:
Already conduct local criminal background checks. If additional FBI background checks are required, cost TBD.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Could be paper document or separate credential. Statutory change. Policy change. Process change. Training $10,000.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No Formula
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Already tying expiration to end of stay for foreign nationals, with a minimum one year expiration date.
Impact of amending the ID expiration date to show that it is "different than usual:"
Requirements TBD. Estimated fiscal impact of training $70,000.

South Dakota

South Dakota Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

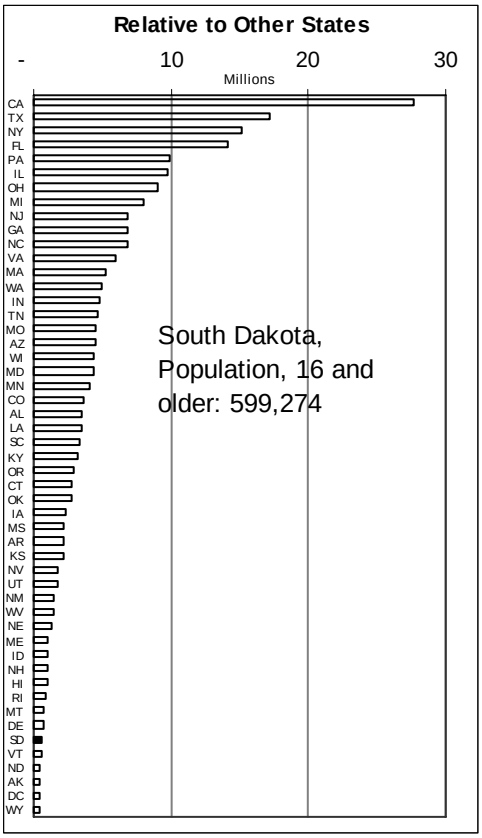
Annual Driver's License Issuances:	153,864
Annual ID Card Issuances:	18,678
Total Licenses and IDs on File:	172,542
Machine Readable:	2D Barcode
Maintain Source Documents:	Digital, indefinite
Total Number of Issuing Sites:	78
Total Number of Full-Time Employees:	63.5
Issuance Process:	Hybrid
Maximum Valid Card Issuance Term:	5
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.46

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Electronic
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID: No

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	31,662	10,818	***42,480***
Renewal (reissuance of a record on file)	87,127	4,615	***91,742***
Duplicate (including replacements and name/address changes)	21,233	3,245	***24,478***
Reinstatements (reissuance for compliance received)	13,842	--	***13,842***
Other	--	--	***--***
Total	***153,864***	***18,678***	***172,542172,542***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes (military)	Annual issuance total for documents without a picture: 130 DL	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: Approx. 145	Number of employees involved in issuance of hybrid cards (if applicable): Approx. 145

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 1,890 DL/614 ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Guidance needed regarding what the effective procedure is for confirming or verifying a renewing applicant's information.
Impact of resolving social security number discrepancies:
SD meets this requirement.
Impact of ensuring that another state has not issued a DL to applicant:
This is not possible at this time as there is no system in place. It seems that to do this effectively, the Driver Record Information Verification System (DRIVerS) must be developed.
Impact of maintaining a database containing DL data and driver history:
SD Driver Licensing Database contains required information.
Impact of providing other states with access to the database of drivers and driver histories:
This is not possible at this time as there is no system in place. It seems that to do this effectively, the Driver Record Information Verification System (DRIVerS) must be developed.
Impact of Social Security Online Verification (SSOLV) Requirement:
SD currently utilizes SSOLV.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
SAVE is used in limited locations
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
DEERS is not used in SD
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards: We intend to meet the standard. Creating a new design would require system changes and would be costly.
Impact of requiring legal presence by applicants:
SD currently requires a person to be in the United States legally and we tie the expiration date of the DL to the immigration document. The Federal Regulations should list specific immigration documents and how states are required to handle those types of documents to ensure that states have adequate guidance when encountering different immigration documents.
Impact of capturing and storing all source documents as digital image files:
SD currently copies all immigration documents as well as source documents presented to obtain a commercial driver license with a Hazardous Materials Endorsement. These copies are scanned into a document imaging system and retained in an electronic format. Will need to expand the copying, scanning and filing of documents to meet this requirement.
Federal Guidance is needed regarding which types of applicants will be required to show source documents. For example - Does an applicant need to show a birth certificate at each issue and reissue including duplicates and renewals, or is this just for first time applicants in a jurisdiction (including transfers from out of state).
More copying will be required. This will take up more storage space and result in the need to purchase additional disks for storage and eventually an additional jukebox. Future storage needs will be greater as a result of the REAL ID Act.
Cost of storage disks - $80 each. Each disk is backed up on another disk and stored off-site. Thus, each disk needed results in 2 disks. Cost of jukebox (64 disk) - $25,000. Will result in need for additional staff to accommodate the extra copying and scanning of documents. Estimate 1 additional full time employee to accommodate the copying, scanning and filing of documents into a document imaging system.
Impact of subjecting each applicant to mandatory facial image capture:
A process/system change will be required to capture a mandatory facial image of each applicant. Photo is currently only captured if DL/ID is issued. If a person is not issued a DL/ID, a photo is not captured. SD is nearing the end of our current DL issuance contract. The timing is good to incorporate this change into the new system development/redesign. If we were required to make the software change as a separate change, the costs would be much greater than if we work it into the redesigned system.
Impact of using an electronic, online or automated authentication system for birth certificate verification:

Birth Certificate – no nationwide system is in place. SD currently involved in the pilot EVVER program. Pilot funded by the Federal Motor Carrier Safety Administration (FMCSA) in cooperation with the American Association of Motor Vehicle Administrators (AAMVA.) to verify birth records. Costs for post pilot are yet to be determined. Currently, SD, MN, ND, and IA are participating in the pilot.

Impact of creating a fraud document training program:

Driver Licensing currently has a fraudulent document recognition training program that was developed by AAMVA. This will need to be expanded to the county and city officials that we have partnered with to provide DL services. Estimated costs - 3 trainings provided to local government employees – one night stay and meals - $11,000

Would recommend that the federal requirements specify that the AAMVA course is an acceptable course.

Impact of ensuring physical security at driver's license/ID card production facilities:

SD has security measures in place at driver exam locations. Specific Federal guidance is needed in this area to determine what steps are necessary to ensure physical security. SD may need to hire a security specialist to develop and implement a security assessment, and security plan including audit processes at all SD exam stations and local government sites that partner with DL for driver licensing services. SD may also need to purchase security systems for exam stations, car alarms and car vaults for traveling exam teams.

Security Systems -$2000 per location – 52 locations - $104,000

Car alarms for traveling exam teams – 9 @ $200.00 - $1800.00

Vaults for traveling teams – 9 @ 350 - $3150.00

Impact of requiring employees to clear appropriate security clearance requirements:

Specific Federal guidance is needed regarding what the background check is to consist of. All new DPS employees are subject to a background check. This will need to be expanded to include all existing driver licensing employees as well as the county and city officials that Driver Licensing partners with to provide driver licensing services. 100 background checks at $10 each - $1000. Subject to change depending on what the security clearance requirement consists of.

Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":

This would be costly. Our state law requires a person to be authorized to be in the United States to obtain a driver license. To change this would require a statute change.

Process/Formula used to determine the number of employees necessary to perform specific tasks:

We determine amount of staff by volume in a particular area.

Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:

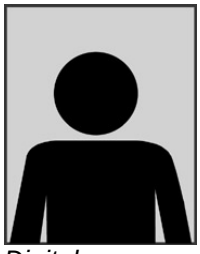
SD currently issues the DL/ID through the duration of stay of the applicant except for those who have an indefinite status. Currently, those with an indefinite status receive a full 5 year license. The Regulations should outline specific immigration documents and which ones should have an issue date of no more than 1 year.

Impact of amending the ID expiration date to show that it is "different than usual:"

SD will need to change our programming. The SD DL/ID that have a expiration date less than 5 years because the applicant presented a immigration document of less than 5 years are not marked as a temporary. They look the same as any other DL/ID card except the expiration date is less. This may also require legislation as we don't have specific authority to mark clearly as temporary. Estimated cost for programming change $7,000 – $10,000.

Tennessee

Tennessee Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

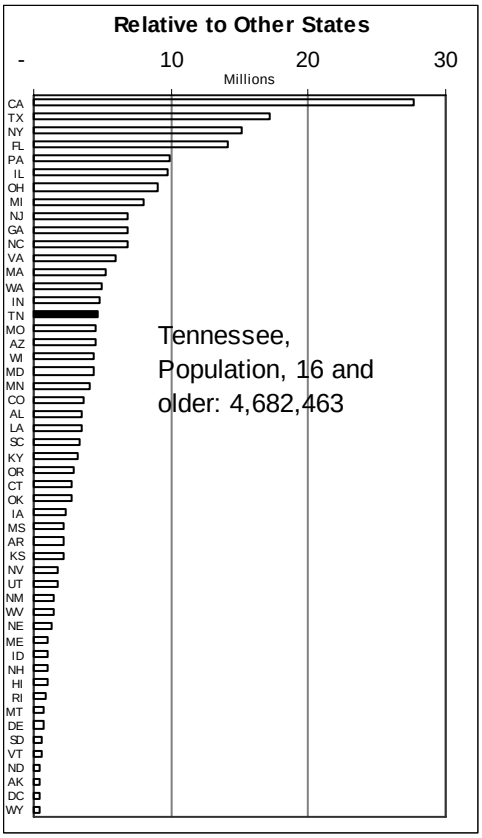
Annual Driver's License Issuances:	1,129,766
Annual ID Card Issuances:	223,719
Total Licenses and IDs on File:	1,353,485
Machine Readable:	1D, 2D Barcode
Maintain Source Documents:	No
Total Number of Issuing Sites:	78
Total Number of Full-Time Employees:	301
Issuance Process:	Hybrid
Maximum Valid Card Issuance Term:	7
Youngest Card Issuance Age:	0
Contract Cost per Card:	$1.41

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID: Yes

Source Documents to Verify Identification: 1



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	145,983	31,295	***177,278***
Renewal (reissuance of a record on file)	539,523	101,917	***641,440***
Duplicate (including replacements and name/address changes)	212,418	50,925	***263,343***
Reinstatements (reissuance for compliance received)	66,061	6,211	***72,272***
Other	165,781	33,371	***199,152***
Total	***1,129,766***	***223,719***	***1,353,485***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 64,712 DL	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: --	Number of employees involved in issuance of hybrid cards (if applicable): --

Application Process for Immigrants

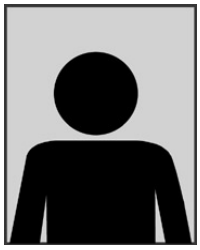
Temporary DL/ID to temporary immigrants for a term based on immigration status: Yes	Corresponding ID expiration date and immigration forms expiration date: Yes	Number of temporary immigrant DL/IDs issued annually: 28,344 DL/NA ID	Use of Systematic Alien Verification for Entitlements (SAVE) system: --	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
This could eliminate our Internet and mail renewal programs if the rules require the documentation to be presented in person.
Impact of resolving social security number discrepancies:
We would need more staff at our Helpdesk to resolve these SS # issues. We would also need to receive additional information on our SSLOV inquiries.
Impact of ensuring that another state has not issued a DL to applicant:
We currently electronically notify the other state that their driver is surrendering the out-of-state driver license and obtaining a TN driver license
Impact of maintaining a database containing DL data and driver history:
None
Impact of providing other states with access to the database of drivers and driver histories:
This would require some major programming changes estimated at $200,000 to $300,000
Impact of Social Security Online Verification (SSOLV) Requirement:
We already utilize the SSOLV system
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
We are reviewing the MOU for SAVE
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
I am in the process of obtaining information on the DEERS (DOD) and exploring how we get access.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
None
Impact of requiring legal presence by applicants:
None
Impact of capturing and storing all source documents as digital image files:
A system to fulfill this requirement would have to be procured**.** Cost unknown at this time.
Impact of subjecting each applicant to mandatory facial image capture:
We currently have a digitized issuance system however; legislation would be required to delete the exception.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Unknown to our knowledge there is no system for the electronic verification of Birth Certificates
Impact of creating a fraud document training program:
We have already began this process by getting 24 employees certified thru AAMVA's FDR Train-the-Trainer Program
Impact of ensuring physical security at driver's license/ID card production facilities:
None
Impact of requiring employees to clear appropriate security clearance requirements:
Need a clarification on "appropriate security clearance" requirements
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
None
Process/Formula used to determine the number of employees necessary to perform specific tasks:
--
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
This would require legislative changes including fee structure changes to set up an new classification of driving privilege. There will be minor program changes and associated costs. Approximate cost $15,000
Impact of amending the ID expiration date to show that it is "different than usual:"
This will be handled as stated above

Texas

Texas Driver's License



--

Full Legal Name
Date of Birth
Gender
Card Number
Digital Photograph
Address
Signature

Key Statistics:

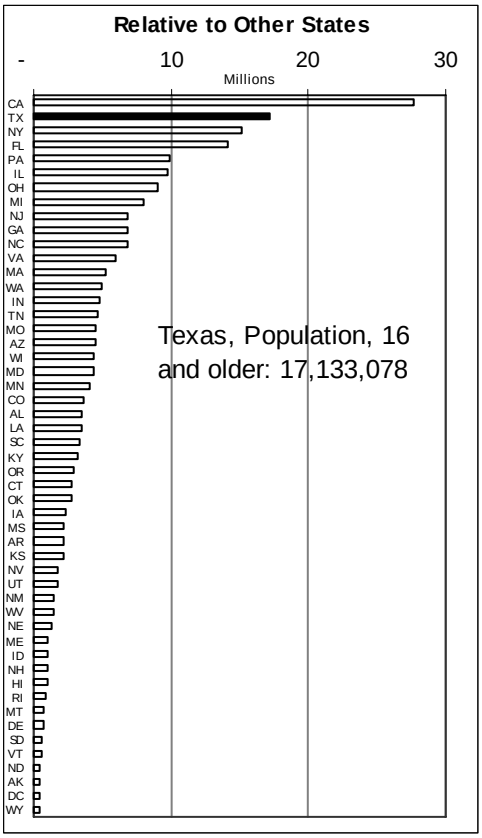
Annual Driver's License Issuances:	5,064,510
Annual ID Card Issuances:	693,673
Total Licenses and IDs on File:	5,758,183
Machine Readable:	1D Bar, Mag stripe
Maintain Source Documents:	Digital, 125 yrs
Total Number of Issuing Sites:	256
Total Number of Full-Time Employees:	946
Issuance Process:	Central
Maximum Valid Card Issuance Term:	6
Youngest Card Issuance Age:	0
Contract Cost per Card:	$0.68

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID: No

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	701,749	348,251	***1,050,000***
Renewal (reissuance of a record on file)	2,653,778	144,015	***2,797,793***
Duplicate (including replacements and name/address changes)	1,639,535	201,407	***1,840,942***
Reinstatements (reissuance for compliance received)	69,448	--	***69,448***
Other	--	--	***--***
Total	***5,064,510***	***693,673***	***5,758,183***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 220,394 Permit	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA	Number of people involved in the driver's license issuance process: Approx. 1,800	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: --	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system:	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals: --

Impact of resolving social security number discrepancies: --

Impact of ensuring that another state has not issued a DL to applicant: --

Impact of maintaining a database containing DL data and driver history: --

Impact of providing other states with access to the database of drivers and driver histories: --

Impact of Social Security Online Verification (SSOLV) Requirement: --

Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system: --

Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement: --

Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards: --

Impact of requiring legal presence by applicants: --

Impact of capturing and storing all source documents as digital image files: --

Impact of subjecting each applicant to mandatory facial image capture: --

Impact of using an electronic, online or automated authentication system for birth certificate verification: --

Impact of creating a fraud document training program: --

Impact of ensuring physical security at driver's license/ID card production facilities: --

Impact of requiring employees to clear appropriate security clearance requirements: --

Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID": --

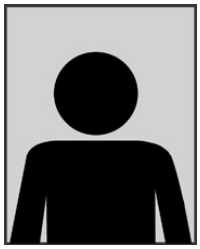
Process/Formula used to determine the number of employees necessary to perform specific tasks:
We utilize a formula that is based on population growth/number of licensed drivers and historical issuance volumes to calculate staff needs.

Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status: --

Impact of amending the ID expiration date to show that it is "different than usual:" --

Utah

Utah Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

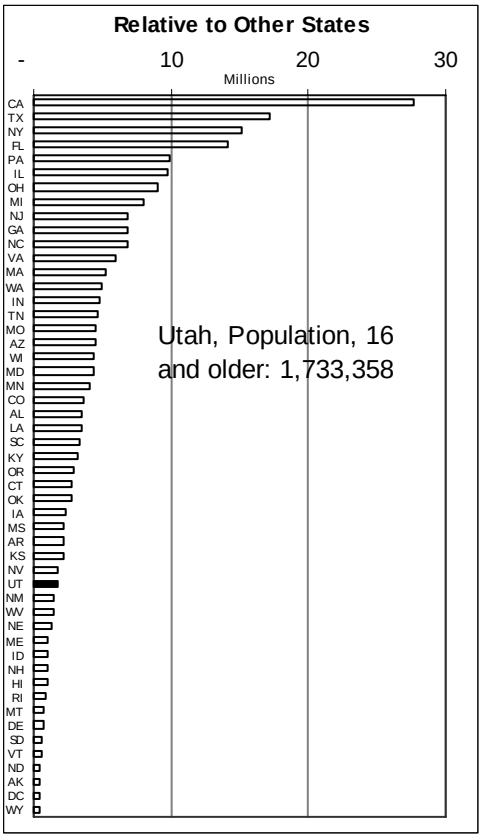
Annual Driver's License Issuances:	--
Annual ID Card Issuances:	--
Total Licenses and IDs on File:	--
Machine Readable:	2D barcode
Maintain Source Documents:	--
Total Number of Issuing Sites:	--
Total Number of Full-Time Employees:	--
Issuance Process:	--
Maximum Valid Card Issuance Term:	--
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	--

Accepted Verification Documents:

	Verify	
Social Security Number	--	--
Birth Certificate	--	--
Authenticate Address	--	--
Military Documents	--	--

Document retention methods to change under Real ID*:* --

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	**--**	**--**	**--**

Issuance Process

Issue license or identification documents without applicant's photograph: --	Annual issuance total for documents without a picture: --	Alternative issuance method: --	Fraud document training program currently being used: --	Number of people involved in the driver's license issuance process:	Number of employees involved in issuance of hybrid cards (if applicable):

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: --	Corresponding ID expiration date and immigration forms expiration date: --	Number of temporary immigrant DL/IDs issued annually: --	Use of Systematic Alien Verification for Entitlements (SAVE) system: --	Electronic verification of the legal presence of applicants: --

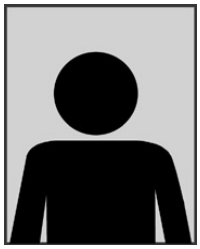
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Utah has alternate renewal programs (renewal by mail, renewal by Internet and valid without photo). If these processes are discontinued we will need more FTE's in our field offices.
Impact of resolving social security number discrepancies:
Under these circumstances our current procedure is to require the applicant to resolve the issue. If the state is required to resolve these issues we will need at least one additional FTE.
Impact of ensuring that another state has not issued a DL to applicant:
We currently access PDPS and CDLIS.
Impact of maintaining a database containing DL data and driver history:
Utah's database does contain all data fields printed on DL/ID cards. We will need programming changes if modifications are made that require additional information and to accommodate longer name fields. Utah driver's histories include violations and suspensions. Point systems are unique to each state, how useful will this information be to other states?
Impact of providing other states with access to the database of drivers and driver histories:
There will be costs associated with this function. Does this requirement apply only to MVA exchanges and will DRIVERS be used? We will need to implement processes to verify identification cards with other states.
Impact of Social Security Online Verification (SSOLV) Requirement:
Utah is on-line with SSOLV
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Utah will need to develop applications to verify documents with SAVE, DEERS, birth certificates and other states. Program lang connectivity will be issues. Full impact and costs are unknown at this time.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Utah will need to develop applications to verify documents with SAVE, DEERS, birth certificates and other states. Program lang connectivity will be issues. Full impact and costs are unknown at this time.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
There will be costs for this requirement. Those costs will depend on the federal standard design.
Impact of requiring legal presence by applicants:
Utah does not have legal presence law. Statutory changes will be necessary. Increased workload to verify legal presence.
Impact of capturing and storing all source documents as digital image files:
Utah has an optical imagining system at our central facility. We need to expand the capability to include a transferable format. We would need to equip each office with this system. We will need additional server space.
Impact of subjecting each applicant to mandatory facial image capture:
Utah has alternate renewal programs (renewal by mail, renewal by Internet and valid without photo). If these processes are discontinued, we will need more FTE's in our field offices. Computer programming will be required to eliminate alternate renewal programs. We currently have the ability to capture facial images.

Impact of using an electronic, online or automated authentication system for birth certificate verification:
Utah will need to develop applications to verify documents with SAVE, DEERS, birth certificates and other states. Program languages and connectivity will be issues. Full impact and costs are unknown at this time.
Impact of creating a fraud document training program:
Utah has implemented AAMVA Fraudulent Document Recognition Program. There are on-going costs for this training.
Impact of ensuring physical security at driver's license/ID card production facilities:
There will costs associated if on-site visits are required. No impact if this can be accomplished by contract.
Impact of requiring employees to clear appropriate security clearance requirements:
There will be additional costs for necessary background checks.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Utah recently passed a law allowing a driving privilege card to applicants who do not have legal presence. However this document is not valid identification for a Utah government entity. We would need legislative changes to implement this provision as well as computer programming and card format changes.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
--
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Utah will need to write computer programs for the temporary DL/ID card and design the format of the card. We will need statutory authority.
Impact of amending the ID expiration date to show that it is "different than usual:"
Utah will need to write computer programs for the temporary DL/ID card and design the format of the card. We will need statutory authority.

Vermont

Vermont Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

Annual Driver's License Issuances:	189,172
Annual ID Card Issuances:	11,518
Total Licenses and IDs on File:	597,275

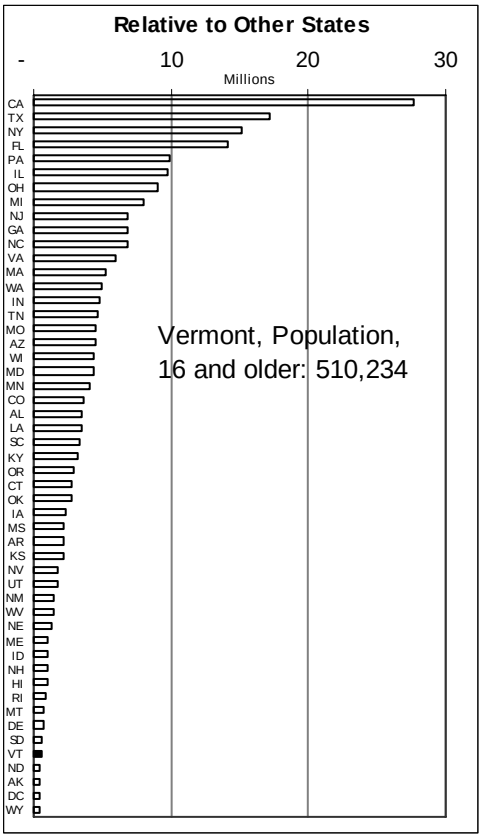
Machine Readable:	Mag stripe
Maintain Source Documents:	Digital and hard copy, forever
Total Number of Issuing Sites:	10
Total Number of Full-Time Employees:	No answer
Issuance Process:	Central
Maximum Valid Card Issuance Term:	4 years
Youngest Card Issuance Age:	No min.
Contract Cost per Card:	$2.45

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	No	Visual check
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID: No answer

Source Documents to Verify Identification: 2



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	141,610	11,518	***153,128***
Renewal (reissuance of a record on file)	--	--	*--*
Duplicate (including replacements and name/address changes)	33,918	--	***33,918***
Reinstatements (reissuance for compliance received)	13,644	--	***13,644***
Other	--	--	*--*
Total	***189,172***	***11,518***	***200,690***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: 0	Alternative issuance method: Yes	Fraud document training program currently being used: Other	Number of people involved in the driver's license issuance process: 131	Number of employees involved in issuance of hybrid cards (if applicable): NA

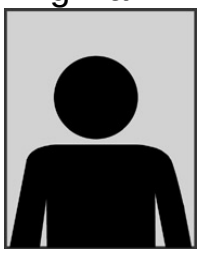
Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Y	Corresponding ID expiration date and immigration forms expiration date: Y	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
We currently require 2 forms of ID for License/Permit renewals. The applicant's current License/Permit serves as 1 form of ID and the 2nd form of ID is a document that is on AAMVA's list of acceptable ID's.
Impact of resolving social security number discrepancies:
We feel that the customer should be responsible for resolving any SSN discrepancies.
Impact of ensuring that another state has not issued a DL to applicant:
We currently use PDPS and CDLIS for checking what other states the applicant was previously licensed.
Impact of maintaining a database containing DL data and driver history:
We currently do this.
Impact of providing other states with access to the database of drivers and driver histories:
Other states are able to access our records via PDPS and CDLIS.
Impact of Social Security Online Verification (SSOLV) Requirement:
We are almost done with this and will be implemented within a month or two.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Big issue. We do not have the funds or the personnel to pursue implementing this system.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
We do not use this system.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
We have our own design.
Impact of requiring legal presence by applicants:
We only collect a "legal address" when the individual's address is a Post Office Box. The "legal address" is usually the 911 address.
Impact of capturing and storing all source documents as digital image files:
Documents/images are non-transferable. They can be seen from our in-house PC's, but are not transferable outside of the Department.
Impact of subjecting each applicant to mandatory facial image capture:
We are now a mandatory license state, therefore, we capture an individual's facial image when they obtain a Driver's License/Permit/ID Card.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
We accept only the original Birth Certificate or a certified copy of the Birth Certificate.
Impact of creating a fraud document training program:
We currently do fraudulent ID training.
Impact of ensuring physical security at driver's license/ID card production facilities:
Our materials for making a License/Permit/ID are kept in locked cabinets/drawers.
Impact of requiring employees to clear appropriate security clearance requirements:
This is a huge issue. The Vermont State Employees Association (Union) may not wish to have their members undergo background checks.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
We issue Driver Licenses and Permits to anyone. We only issue Non-Driver ID's to Vermont Residents.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
Vermont's counter production standard is currently set at 7 transactions per hour.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
We do not issue "Temporary Licenses", however, the expiration date of the license is tied to the end of stay.
Impact of amending the ID expiration date to show that it is "different than usual:"
As indicated above, we do not issue temporary licenses. The expiration date is the end of stay date.

Virginia Driver's License



** Full Legal Name
** Date of Birth
** Gender
** Card Number
** Digital Photograph
** Address
** Signature

**

Virginia

(**Note: Virginia requested that their responses not be published.)

Key Statistics:

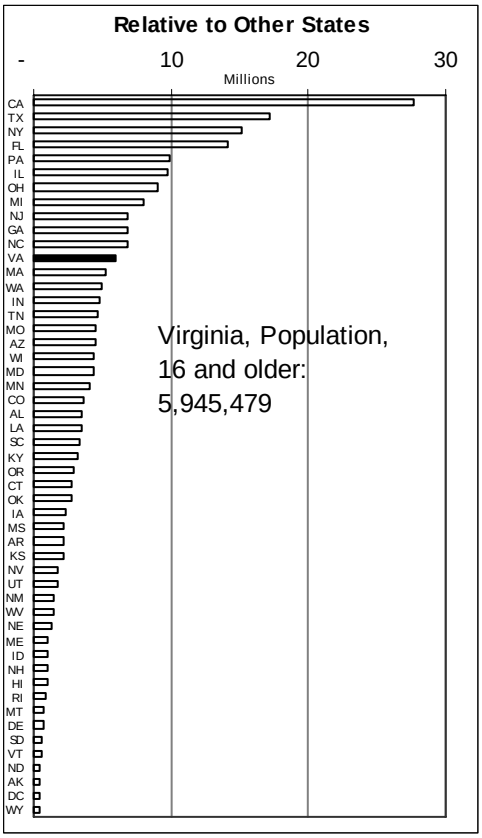
Annual Driver's License Issuances:	**
Annual ID Card Issuances:	**
Total Licenses and IDs on File:	**
Machine Readable:	2D & 1D Barcode
Maintain Source Documents:	**
Total Number of Issuing Sites:	**
Total Number of Full-Time Employees:	**
Issuance Process:	**
Maximum Valid Card Issuance Term:	7 years DL, 5 years ID
Youngest Card Issuance Age:	
Contract Cost per Card:	**

Accepted Verification Documents:

	Verify	
Social Security Number	**	**
Birth Certificate	**	**
Authenticate Address	**	**
Military Documents	**	**

Document retention methods to change under Real ID*:* **

Source Documents to Verify Identification: **



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	**	**	**
Renewal (reissuance of a record on file)	**	**	**
Duplicate (including replacements and name/address changes)	**	**	**
Reinstatements (reissuance for compliance received)	**	**	**
Other	**	**	**
Total	**	**	**

Issuance Process

Issue license or identification documents without applicant's photograph: Response not published.	Annual issuance total for documents without a picture: Response not published.	Alternative issuance method: Response not published.	Fraud document training program currently being used: Response not published.	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): Response not published.

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: Response not published.	Corresponding ID expiration date and immigration forms expiration date: Response not published.	Number of temporary immigrant DL/IDs issued annually: Response not published.	Use of Systematic Alien Verification for Entitlements (SAVE) system: Response not published.	Electronic verification of the legal presence of applicants: Response not published.

Comments from Survey Delivered to Motor Vehicle Branches

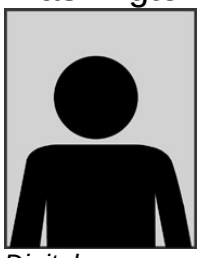
Impact of establishing a procedure to verify applicant information during renewals:
Response not published.
Impact of resolving social security number discrepancies:
Response not published.
Impact of ensuring that another state has not issued a DL to applicant:
Response not published.
Impact of enabling electronic verification other forms of documentation:

Impact of maintaining a database containing DL data and driver history:
Response not published.
Impact of providing other states with access to the database of drivers and driver histories:
Response not published.
Impact of Social Security Online Verification (SSOLV) Requirement:
Response not published.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Response not published.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Response not published.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Response not published.
Impact of requiring legal presence by applicants:
Response not published.
Impact of capturing and storing all source documents as digital image files:
Response not published.
Impact of subjecting each applicant to mandatory facial image capture:
Response not published.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Response not published.
Impact of creating a fraud document training program:
Response not published.
Impact of ensuring physical security at driver's license/ID card production facilities:
Response not published.
Impact of requiring employees to clear appropriate security clearance requirements:
Response not published.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Response not published.
Process/Formula used to determine the number of employees necessary to perform specific tasks:

Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Response not published.
Impact of amending the ID expiration date to show that it is "different than usual:" Response not published.

Washington

Washington Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

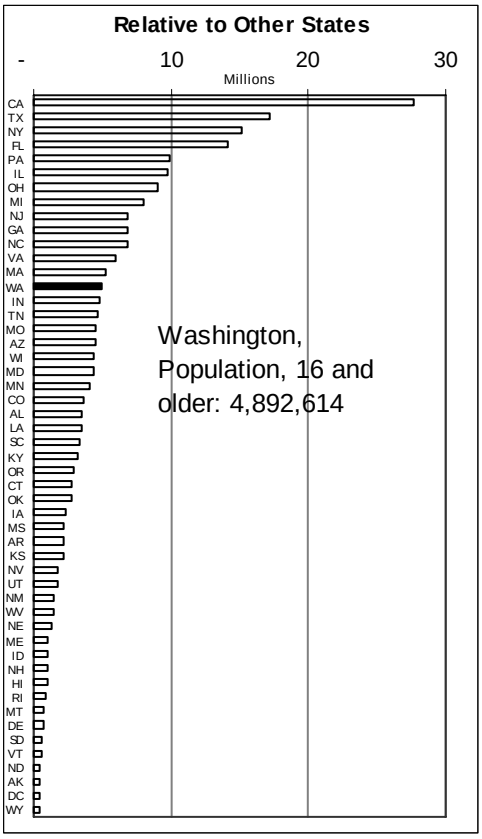
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	5,036,681
Machine Readable:	Barcode
Maintain Source Documents:	NA, NA
Total Number of Issuing Sites:	66
Total Number of Full-Time Employees:	310 field, NA HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	5 years
Youngest Card Issuance Age:	None
Contract Cost per Card:	$1.92

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	Yes	Visual check
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 4



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	342,903	78,603	***421,506***
Renewal (reissuance of a record on file)	778,469	35,078	***813,547***
Duplicate (including replacements and name/address changes)	340,927	42,941	***383,868***
Reinstatements (reissuance for compliance received)	43,758	--	***43,758***
Other	--	--	***--***
Total	***1,506,057***	***156,622***	***1,662,679***

Issuance Process

Issue license or identification documents without applicant's photograph: Y	Annual issuance total for documents without a picture: 31,065	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No

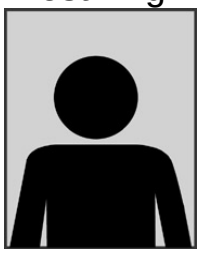
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
Undetermined, potential service delays as additional verification is performed
Impact of resolving social security number discrepancies:
No impact
Impact of ensuring that another state has not issued a DL to applicant:
Programming required
Service delays stemming from checking with other states
Impact of maintaining a database containing DL data and driver history:
Potentially no impact
Impact of providing other states with access to the database of drivers and driver histories:
Programming required
Amend state law regarding availability of driving records
Impact of Social Security Online Verification (SSOLV) Requirement:
No change
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
Programming and equipment required to allow verification at source and electronic communication of documents
Service delays as checks are made with the various systems
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
Programming and equipment required to allow verification at source and electronic communication of documents
Service delays as checks are made with the various systems

Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
Programming required
Service delays as alternative designs are introduced and explained to the public
Amend state law regarding document appearance
Impact of requiring legal presence by applicants:
Adopt state law requiring proof of legal presence in order to obtain document valid for federal ID
Service delays as additional documents and proof of lawful presence are determined
Washington State is one of ten states that currently do not require proof of legal presence in the United States in order to obtain a driver's license or identification card. The requirement for such proof represents a major change in public policy, and will have an impact on all licensed drivers and identification card holders in this state.
Impact of capturing and storing all source documents as digital image files:
Installation of scanners, PC, servers and software to support digital image capture, storage and retention
Service delays as documents are scanned and recorded
Impact of subjecting each applicant to mandatory facial image capture:
Amend state law to prohibit religious or other exemptions
Impact of using an electronic, online or automated authentication system for birth certificate verification:
Programming and equipment required to allow verification at source and electronic communication of documents
Service delays as checks are made with the various systems
Impact of creating a fraud document training program:
No impact
Impact of ensuring physical security at driver's license/ID card production facilities:
No impact
Impact of requiring employees to clear appropriate security clearance requirements:
No impact
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
Programming required; amend state law regarding document appearance
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No response
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Programming changes to issue temporary DL/ID documents and documents with expiration dates tied to lawful presence
Programming to record and maintain variable expiration data
Service delays as documents are renewed or reissued more often
Amend state law regarding expiration date
Impact of amending the ID expiration date to show that it is "different than usual:"
Programming changes to issue temporary DL/ID documents that are unique in design and or color
Amend state law regarding appearance of document

West Virginia

West Virginia Driver's License



Digital

- ✓ Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

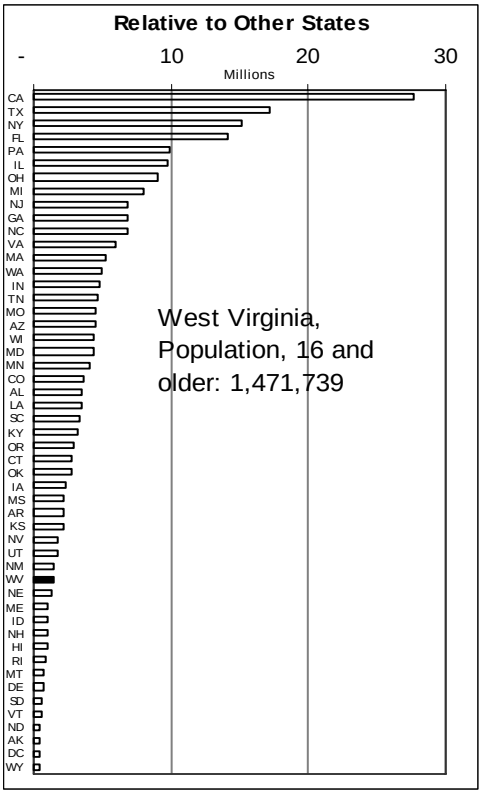
Annual Driver's License Issuances:	No answer
Annual ID Card Issuances:	No answer
Total Licenses and IDs on File:	No answer
Machine Readable:	No answer
Maintain Source Documents:	No answer
Total Number of Issuing Sites:	No answer
Total Number of Full-Time Employees:	No answer
Issuance Process:	No answer
Maximum Valid Card Issuance Term:	No answer
Youngest Card Issuance Age:	No answer
	No answer
Contract Cost per Card:	No answer

Accepted Verification Documents:

	Verify
Social Security Number	No answer
Birth Certificate	No answer
Authenticate Address	No answer
Military Documents	No answer

Document retention methods to change under Real ID*:* No answer

Source Documents to Verify Identification: No answer



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	--	--	**--**
Renewal (reissuance of a record on file)	--	--	**--**
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	**--**	**--**	**--**

Issuance Process

Issue license or identification documents without applicant's photograph: No answer	Annual issuance total for documents without a picture: No answer	Alternative issuance method: No answer	Fraud document training program currently being used: No answer	Number of people involved in the driver's license issuance process: No answer	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No answer	Corresponding ID expiration date and immigration forms expiration date: No answer	Number of temporary immigrant DL/IDs issued annually: No answer	Use of Systematic Alien Verification for Entitlements (SAVE) system: No answer	Electronic verification of the legal presence of applicants: No answer

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
This is dependant on the electronic verification systems described on the previous page.
Impact of resolving social security number discrepancies:
None, Already Required
Impact of ensuring that another state has not issued a DL to applicant:
1. Already done on original applications
2. Do not anticipate problem check on renewals or duplicates as well
Impact of maintaining a database containing DL data and driver history:
None, Already in Place
Impact of providing other states with access to the database of drivers and driver histories:
? Already in place with CDLIS
Impact of Social Security Online Verification (SSOLV) Requirement:
In Place
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
No estimate at this time on impact of required link to other systems
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
No estimate at this time on impact of required link to other systems
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
WV License meets federal standards
Impact of requiring legal presence by applicants:
None, Already in Place

Impact of capturing and storing all source documents as digital image files:
1. Digital image scan system in place
2. Will require installation of scanning equipment at each licensing location
3. Additional labor required to scan these documents

Impact of subjecting each applicant to mandatory facial image capture:
None, already required

Impact of using an electronic, online or automated authentication system for birth certificate verification:
No estimate at this time on impact of required link to other systems

Impact of creating a fraud document training program:
None, Training already in place

Impact of ensuring physical security at driver's license/ID card production facilities:
Dependant on what standards are established

Impact of requiring employees to clear appropriate security clearance requirements:
1. Already done for driver examiners
2. Expand background check for all CSR

Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No Plans at Present

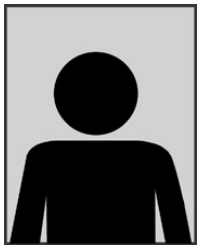
Process/Formula used to determine the number of employees necessary to perform specific tasks:
No response

Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Legal presence already required
DL/ID card expiration tied to legal presence

Impact of amending the ID expiration date to show that it is "different than usual:"
No temporary license issued

Wisconsin

Wisconsin Driver's License



Digital

- Full Legal Name
- ✓ Date of Birth
- ✓ Gender
- ✓ Card Number
- ✓ Digital Photograph
- ✓ Address
- ✓ Signature

Key Statistics:

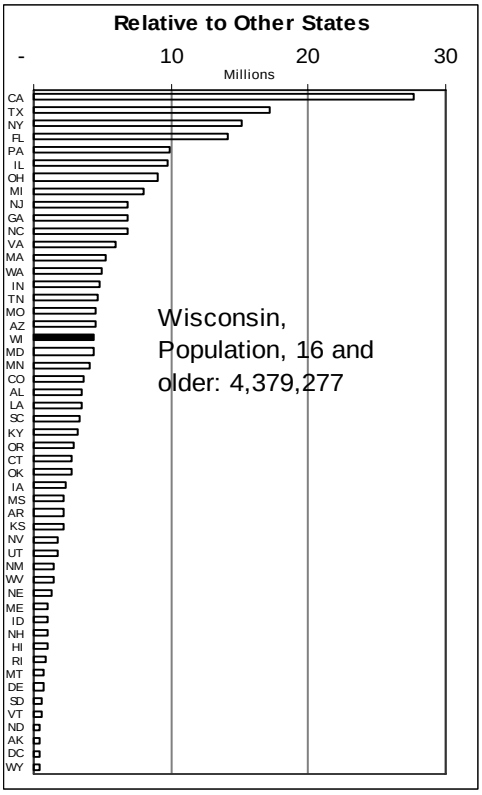
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	4,386,956
Machine Readable:	Barcode
Maintain Source Documents:	NA, NA
Total Number of Issuing Sites:	103
Total Number of Full-Time Employees:	326, 6
Issuance Process:	Instant
Maximum Valid Card Issuance Term:	8 DL, 4 ID
Youngest Card Issuance Age:	None
Contract Cost per Card:	$1.06

Accepted Verification Documents:

	Verify	
Social Security Number	Yes	SSOLV
Birth Certificate	No	Visual check
Authenticate Address	No	
Military Documents	No	

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 3



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	312,122	68,858	***380,980***
Renewal (reissuance of a record on file)	461,311	53,354	***514,665***
Duplicate (including replacements and name/address changes)	294,956	44,394	***339,350***
Reinstatements (reissuance for compliance received)	133,827	4,798	***138,625***
Other	27,718	--	***27,718***
Total	***1,229,934***	***171,404***	***1,401,338***

Issuance Process

Issue license or identification documents without applicant's photograph: Yes	Annual issuance total for documents without a picture: 67,003	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: 192	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: No	Electronic verification of the legal presence of applicants: No

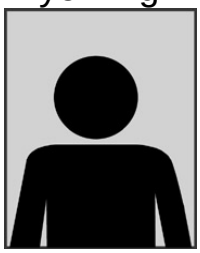
Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
It is unclear what this means. How do you verify information for a renewing customer? Do they have to provide all of their source documents?
Impact of resolving social security number discrepancies:
WI has procedures for handling discrepancies with Social Security number for Wisconsin residents, but has no way of checking other states unless a centralized database or pointer system is created.
Impact of ensuring that another state has not issued a DL to applicant:
WI checks states where the driver was previously licensed. No nationwide search is done.
Impact of maintaining a database containing DL data and driver history:
WI is in compliance.
Impact of providing other states with access to the database of drivers and driver histories:
WI does not have system to provide electronic access to other states. Extensive programming is needed to link to a centralized database.
Impact of Social Security Online Verification (SSOLV) Requirement:
WI just implemented SSOLV, but doesn't have any other systems to verify information electronically.
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
WI does not use the SAVE system, and must do extensive programming to link to the system.
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
WI just implemented SSOLV, but doesn't have any other systems to verify information electronically.
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
WI must decide if the alternate document is going to be issued.

Impact of requiring legal presence by applicants:
WI does not have legal presence. Statutory language is needed, and transactions will take longer to process.
Impact of capturing and storing all source documents as digital image files:
WI does not capture digital images of source documents. All equipment must be purchased. Initial cost estimates indicate that placing equipment in all field stations will be cost prohibitive. WI may have to close some itinerant field stations, especially if there are no federal funds available. Also, it is unclear if customers renewing their DL/ID will have to provide source documents.
Impact of subjecting each applicant to mandatory facial image capture:
WI does not photograph persons who are denied. WI will have to reconfigure application process so photograph can be taken first.
Impact of using an electronic, online or automated authentication system for birth certificate verification:
WI just implemented SSOLV, but doesn't have any other systems to verify information electronically.
Impact of creating a fraud document training program:
WI has a fraudulent document training program for field staff. This must be expanded to include central office staff.
Impact of ensuring physical security at driver's license/ID card production facilities:
It is unclear what is meant by "physical security". This could lead to station remodeling (sic) or central office issuance.
Impact of requiring employees to clear appropriate security clearance requirements:
WI does background checks on new employees. Existing employees and employees of vendors would have to be checked.
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
WI must decide if the alternate document is going to be issued. We currently license people without legal presence.
Process/Formula used to determine the number of employees necessary to perform specific tasks:
Wisconsin conducts periodic staffing studies to determine "Minutes per Unit" (MPU) for each transaction. Once an MPU is established, DMV uses this number to estimate workload impacts. An original driver's license issued by the Bureau of Field Services has an MPU of 13.6. DMC employees average 1,725 hours of productive time per year. (Vacation, sick leave, breaks, etc are removed). If an increase of 10,000 original driver's licenses issued per year were expected, we would compute the FTI impact.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
Wisconsin must make extensive programming changes to create a temporary driver's license and change business rules that compute expiration dates.
Impact of amending the ID expiration date to show that it is "different than usual:"
Requires a new product type

Wyoming

Wyoming Driver's License



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Full Legal Name
Date of Birth
Gender
Card Number
Digital Photograph
Address
Signature

Key Statistics:

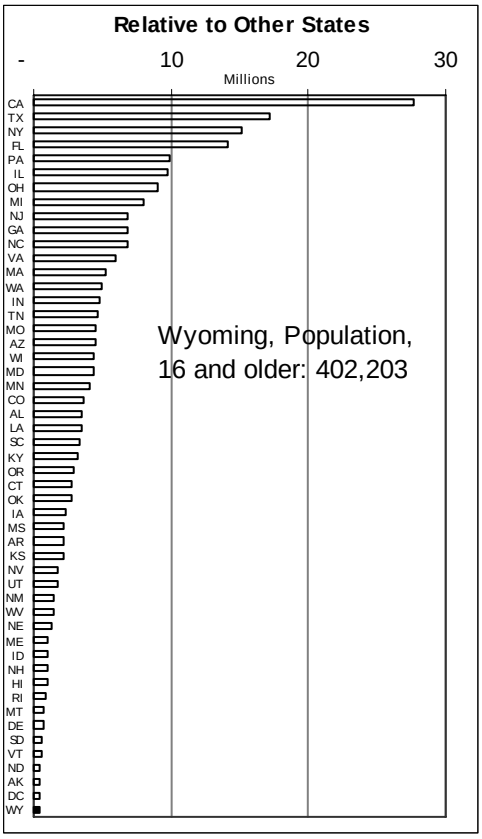
Annual Driver's License Issuances:	0
Annual ID Card Issuances:	0
Total Licenses and IDs on File:	397,416
Machine Readable:	Barcode
Maintain Source Documents:	Digital and hard copy, forever
Total Number of Issuing Sites:	29
Total Number of Full-Time Employees:	54 field, 12 HQ
Issuance Process:	Central
Maximum Valid Card Issuance Term:	4 years DL, No expiration ID
Youngest Card Issuance Age:	None
Contract Cost per Card:	$1.34

Document retention methods to change under Real ID*:* Yes

Source Documents to Verify Identification: 2 DL, 1 ID

Accepted Verification Documents:

	Verify	
Social Security Number	No answer	
Birth Certificate	Yes	Visual
Authenticate Address	No	
Military Documents	No	



Annual Issuance Volume Totals

Card Type	Driver's License	Identification Card	Total
Original	38,167	6,193	***44,360***
Renewal (reissuance of a record on file)	93,998	--	***93,998***
Duplicate (including replacements and name/address changes)	--	--	**--**
Reinstatements (reissuance for compliance received)	--	--	**--**
Other	--	--	**--**
Total	***132,165***	***6,193***	***138,358***

Issuance Process

Issue license or identification documents without applicant's photograph: No	Annual issuance total for documents without a picture: NA	Alternative issuance method: Yes	Fraud document training program currently being used: AAMVA Training	Number of people involved in the driver's license issuance process: 47	Number of employees involved in issuance of hybrid cards (if applicable): NA

Application Process for Immigrants

Temporary DL/ID to temporary immigrants for a term based on immigration status: No	Corresponding ID expiration date and immigration forms expiration date: NA	Number of temporary immigrant DL/IDs issued annually: NA	Use of Systematic Alien Verification for Entitlements (SAVE) system: Yes	Electronic verification of the legal presence of applicants: Yes

Comments from Survey Delivered to Motor Vehicle Branches

Impact of establishing a procedure to verify applicant information during renewals:
No answer
Impact of resolving social security number discrepancies:
No answer
Impact of ensuring that another state has not issued a DL to applicant:
No answer
Impact of maintaining a database containing DL data and driver history:
No answer
Impact of providing other states with access to the database of drivers and driver histories:
No answer
Impact of Social Security Online Verification (SSOLV) Requirement:
No answer
Impact of developing access capability to Systematic Alien Verification for Entitlements (SAVE) system:
No answer
Impact of Defense Enrollment Eligibility Reporting System (DEERS) Real ID Requirement:
No answer
Impact of creating an alternative driver's license and ID card design in case current design does not meet federal standards:
No answer
Impact of requiring legal presence by applicants:
No answer
Impact of capturing and storing all source documents as digital image files:
No answer
Impact of subjecting each applicant to mandatory facial image capture:
No answer
Impact of using an electronic, online or automated authentication system for birth certificate verification:
No answer
Impact of creating a fraud document training program:
No answer
Impact of ensuring physical security at driver's license/ID card production facilities:
No answer
Impact of requiring employees to clear appropriate security clearance requirements:
No answer
Impact of establishing a "driving certificate" to allow residents to drive without issuing a "Real ID":
No answer
Process/Formula used to determine the number of employees necessary to perform specific tasks:
We do not use a formula for how many people are needed to perform a function/transaction. We are under the legislative budget which governs how many positions we are allocated. We currently have been given 2 additional positions which belong to the Commission budget within WYDOT.
Impact of issuing temporary DL/ID to temporary immigrants for a term based on immigration status:
No answer
Impact of amending the ID expiration date to show that it is "different than usual:"
No answer