

Good morning. On behalf of Secretary of Transportation Leslie Richards, thank you for the opportunity to speak to you today about the REAL ID Act.

As you know, Pennsylvania is prohibited from complying with REAL ID because of Act 38 of 2012. In order for Pennsylvania to move toward REAL ID compliance, the law needs to be repealed. You are all aware of the fact that Congress passed the REAL ID Act of 2005, and final regulations were approved in 2008. Since then the U.S. Department of Homeland Security (DHS) has continued to modify and evolve in its interpretation of the regulations to fit the needs of some states. Although there has been some flexibility on DHS' part over the last 9 years, since the regulations were promulgated, there is still a need for additional flexibility from DHS for states such as Pennsylvania to become REAL ID compliant. As of this date, DHS has found a number of states to be REAL ID compliant that do not fulfill all the requirements or have comparable processes as outlined in the federal regulations. These exceptions include states that do not participate in certain electronic verification systems and states that do not include a star on their license. These exceptions to the rules have allowed some flexibility for some states to be listed by DHS as compliant.

While respecting the requirements of Act 38, PennDOT has noted in the past that our existing driver licensure program independently contains many advances in security features which address similar goals to the REAL ID program. I will discuss these similarities further in a moment. The sooner Act 38 is repealed and we can begin a discussion with DHS about whether our current processes would be considered to meet or be comparable to the REAL ID requirements, the more we will be able to negotiate in those discussions, without upcoming compliance dates and public pressure dictating the conversation. There is particular urgency, in that the new Presidential administration—recognizing that many states are finding it challenging to comply with these federal mandates—has indicated its willingness to provide flexibility.

Nine years after the final rules were adopted by DHS Pennsylvania and many other states and territories are finding it difficult -- if not impossible -- to meet the rules and become compliant, even with the limited flexibility DHS has allowed to date. After 9 years, 30 of the 56 jurisdiction required to implement REAL ID are still non-compliant. And while 26 jurisdictions are considered compliant by DHS, this only represents 38% of the total driver licenses (DL) and

identification (ID) cards issued across the country. This means there are currently over 136 million DL and ID cards from non-compliant jurisdictions not compliant with the REAL ID Act.

It is for this reason we are encouraged by the recent comments of General Kelly during his senate confirmation hearing to lead DHS, in which he was asked by Senator Tester of Montana about states that are not REAL ID compliant. Kelly responded, and I quote, "It's in the law. It's my understanding that the secretary has some elbow room in terms of waiving it. I'd like to absolutely work with the states to find out what we can do to come to an agreement. There's always the possibility of additional time waivers."

In a letter sent to DHS' then-Secretary Johnson on January 13, Governor Wolf and a bipartisan group of both the House and Senate leadership stated they are committed to working toward repealing Act 38 of 2012. That is the first step that will allow PennDOT the ability to have substantive discussions with the U.S. Department of Homeland Security (DHS) related to the implementation of REAL ID. Let me be clear that we will seek those discussions in an effort to ensure we can implement REAL ID while maintaining our commitment to a customer-centric,

cost-effective, and efficient driver licensing program. At the same time, we will continue to preserve and enhance significant protections for the privacy of customer data. This will require additional flexibility on the part of DHS, and we would encourage a dialogue with their representatives to find a path to implementation that works for Pennsylvania. The fact is one size does not fit all, and while there has been some recognition of that by DHS, we need to encourage them to embrace a greater degree of flexibility to ensure we meet the goal of enhancing the processes and products associated with issuance of DL and ID cards.

With the above as background, I would like to highlight the ways that PennDOT's products and issuing procedures are, in large part, already in line with REAL ID regulations. This is not because we have sought REAL ID compliance, but because many of the enhancements to processes and products simply make common sense.

In point of fact, many of the requirements of REAL ID were items PennDOT and the general assembly instituted long before the REAL ID rules were established.

Out of 42 detailed requirements of REAL ID, Pennsylvania is already meeting 33 based on DHS's review in 2016.

For instance, REAL ID regulations require documentation of an individual's date of birth, social security number, address and lawful status be provided upon initial issuance of a product. Pennsylvania has required verification since 2003.

REAL ID regulations require that the products themselves contain integrated security features that protect against counterfeiting and fraud, which PennDOT also requires.

There are regulations pertaining to how often customers need to have their photo taken, security of personally identifiable information both in computer systems and at our Driver License Centers themselves, fraud training for employees, and many more requirements that is already standard practice for PennDOT.

Again, we do these things not because REAL ID requires it, but because they just make sense, and help us ensure the security of our processes and the identities of our customers. We consider the continual strengthening of the

integrity and security of our products and processes a top priority. And paramount to our work is ensuring the confidentiality of records. We are maximizing technology to help safeguard the security and integrity of the process, while maintaining a consistent customer focus and ensuring fiscal responsibility.

With that said, REAL ID regulations as written require all customers, regardless of whether they currently have a DL or ID card in Pennsylvania, to appear in person at a Driver License Center with all of their identifying documents – birth certificate, social security card, et cetera – in order to obtain a REAL ID. With 10.9 million driver license (DL) and identification (ID) card holders in Pennsylvania, this is a significant lift. It is this type of requirement we would look to work with DHS to develop flexibility in implementing, not just for the short term, but a commitment from DHS for a permanent change.

As part of the normal order of business, I communicate frequently with my counterparts in other jurisdictions, those that are compliant with REAL ID, and those that are not. I can confidently say that states are struggling with the “one size fits all” approach that REAL ID regulations take. Of the non-compliant jurisdictions, 18 are under extensions until October 10th of this year, and seven –

including Pennsylvania – are under extensions until June 6th. Five jurisdictions are non-compliant with no extension.

Pennsylvania recognizes a shared focus with DHS concerning the safety, security and confidentiality related to the issuance of DL and ID cards. Because of this shared goal, we are optimistic that if Act 38 of 2012 is repealed, substantive discussions with DHS will lead to a positive outcome, meeting the goals of both DHS and Pennsylvania.

I would be pleased to take any questions from the committee at this time.