

# REAL ID compliance deadline nears

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On January 15, 2.2 million licensed drivers in the state of Iowa will have the option to possess a REAL ID. Iowa is among 13 states that have met the legal requirements necessary for implementing a REAL ID program. While many states are still opposed to any REAL ID legislation, those that have expressed interest will begin administering REAL ID cards on a voluntary basis beginning next week.

Efforts to implement REAL ID programs stem from the Department of Homeland Security's (DHS) REAL ID Act of 2005, which proposes and regulates the inclusion of information and security features into each issued driver's license/ID card. According to the Center for Immigration Studies, as of February 2012, 35 states expressed a commitment to comply with REAL ID requirements. Five of those states – Connecticut, Delaware, Maryland, South Dakota and Tennessee – have submitted compliance packages to the Department of Homeland Security. Ten states have expressed interest in improving secure driver's license and identification standards, but are opposed to any REAL ID legislation.

Much opposition toward these programs is due to fear that REAL ID will eventually lead to the creation of national databases. Other issues center on the costs associated with compliance. Estimates have demonstrated that the cost of a REAL ID program will cost about \$11 billion over five years. The cost burden has caused states to rely on available government grants to help fund their program. The DHS has awarded more than \$200 million in available grants since 2008 to help fund implementation efforts. Total grant allocation has increased since first introduced in 2008. Initially, the only states that received funding were those that submitted proposals detailing how available funds would be used; these were termed "priority" states.

While REAL ID remains off the radar of federally mandated programs, it is expected in the coming years that some federal agencies and/or buildings will only accept a driver's license in compliance with REAL ID standards. The current law is expected to be phased in over several years as drivers wait until their current license expires.

## Analyst's Take

Most states have generated some support for more stringent standards for DL/ID documents in efforts to curb identity theft and fraud as well as prevent future acts of terrorism; therefore, it is likely that many states will be committed to upgrading their current DL/ID systems in the coming years.

Although some states have flat out rejected any movement toward REAL ID programs, there may still be selling opportunities available for vendors. Michigan and New York are among a few states that have chosen to enhance existing security features to their current ID programs through an Enhanced Driver's License (EDL) program. EDL has become a likely alternative to REAL ID due to lower implementation costs, and vendors should note that specific guidelines for obtaining EDL may vary from state to state as different forms of identification may be required.

Vendors should also make note of which states have applied for or have received grant funding to assist with REAL ID implementation efforts. January 15 may launch many state agencies to upgrade a multitude of systems including information-sharing databases that may need to be linked with state systems.