



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

DATE: November 13, 2017

TO: House Committee on Transportation Policy

FROM: Tom McClellan, DMV Administrator

SUBJECT: REAL ID Update

INTRODUCTION

Legislation adopted this past session directed DMV to begin offering customers the option of REAL ID compliant driver licenses and identification (ID) cards beginning in July 2020. DMV has a plan to timely implement the law as part of our existing Service Transformation Program.

BACKGROUND

REAL ID

The federal REAL ID Act of 2005 and subsequent regulations set standards for states' driver licenses and identification (ID) cards to be accepted for official federal purposes. REAL ID requires each U.S. jurisdiction to implement 42 specific elements for the security and reliability of its driver licenses and ID cards. Those elements cover three general topics: reliability of the underlying information leading to issuance of a card; security of the procedures and personnel of the DMV and its contractors; and the security features of cards themselves.

The penalty for non-compliance with REAL ID is that the state's driver licenses and ID cards will not be recognized by federal agencies for accessing secure federal facilities (e.g., nuclear power plants; military bases) or, eventually, boarding a domestic commercial flight. Alternate acceptable identification includes a valid U.S. passport or passport card, or two forms of identification that meet criteria specified by the federal agency. The next stage of the federal enforcement plan will be at the Transportation Security Administration (TSA) for boarding commercial domestic flights. Driver licenses and ID cards from states that are non-compliant and do not have an extension will not be accepted by TSA as of January 22, 2018. Subsequently, any individual driver license or ID card that is not marked as REAL ID compliant will not be accepted by TSA as of October 1, 2020.

Oregon is not compliant with REAL ID. The primary needs to achieve compliance are to copy and store customers' documents when they apply for a credential, and verifying some of those documents with several federal systems. Oregon recently secured another extension through October 10, 2018. Therefore, Oregon's driver licenses and ID cards will continue to be accepted by TSA at least through that date. We anticipate pursuing additional one-year extensions.

Service Transformation Program

The 2015 Legislature authorized DMV to pursue the Service Transformation Program: a ten year effort to transform the way DMV does business which, including major IT investments. The IT system vendor has been on-site since July working the DMV staff to configure the commercial off-the-shelf (COTS) system. The first roll-out will be core systems, such as point-of-sale functions and a customer relational database, and the Vehicles System. That is expected to launch January 2019. The second roll-out will be the Drivers System, and is expected to launch July 1, 2020. STP is proceeding through the State CIO's Stage-gate process, and has significant oversight. An example is the Legislative Oversight Committee including six legislators and two private sector IT professionals.

DISCUSSION

The 2017 Legislature passed [SB 374](#), which directed DMV to offer the option of a REAL ID compliant version of the driver license, driver permit, and ID card. DMV prepared for this by requiring the IT vendors who responded to the Request for Proposals to have a system that could be configured for REAL ID compliance. DMV and its vendor will include REAL ID configuration as they progress to the Drivers System phase. As DMV gains better understanding of the implications of adding REAL ID offerings at the same time it rolls out the new Drivers System, additional implementation decisions will be made. As that work progresses DMV will develop the communications plan authorized in the bill to alert Oregonians about the differences between standard and REAL ID compliant credentials, alternatives to REAL IDs for accessing federal facilities, deadlines, what they will need to secure a compliant card versus a standard card, and other provisions.

Oregon's request for a REAL ID compliance extension included an implementation plan and timeline for compliance. DMV will provide quarterly updates to Department of Homeland Security, as well as additional updates as significant milestones are met or adjustments are necessary. DMV anticipates preparing additional one-year extensions requests in 2018 and 2019, as we continue to make expected progress toward full compliance on July 1, 2020.

SUMMARY

DMV has a solid plan for successful implementation of SB 374 by July 1, 2020. This is possible by incorporating REAL ID into the Service Transformation Program already under way. Oregon secured a compliance extension through October 10, 2018, and anticipates preparing additional one-year extension requests until full compliance is attained.

Attachments:

Extension Request

Extension Approval

Map of US Jurisdictions showing Real ID Compliance



KATE BROWN
Governor

September 29, 2017

Acting Secretary Elaine Duke
U.S. Department of Homeland Security
3801 Nebraska Avenue NW
Washington, DC 20528

Dear Acting Secretary Duke,

This letter is to advise you of the progress made by Oregon in meeting the minimum security standards of the federal REAL ID Act and to request a renewal of Oregon's extension.

On July 7, 2017, I signed into Oregon law Senate Bill 374 (Chapter 568 Oregon Laws, 2017). The law requires the Oregon Department of Transportation to begin issuing REAL ID compliant and non-compliant driver licenses and identification cards on July 1, 2020.

Several projects must be completed to meet the remaining outstanding provisions of the REAL ID Act. The projects include replacing Oregon DMV's 1960s-era mainframe computer systems with a commercial-off-the-shelf system, which enables connection to electronic verification systems (such as S2S and USPVS) and imaging of identity source documents. Separately, Oregon DMV is replacing its driver license issuance system to issue Real ID compliant cards with approved security features and clearly marking both compliant and non-compliant cards. Lastly, DMV is initiating a new project to require fingerprint-based background checks for new employees in addition to the name-based background checks done today.

Oregon agrees to participate in quarterly progress reviews during the extension period to demonstrate our commitment to producing REAL ID compliant credentials. Enclosed is a high-level REAL ID project schedule with interim milestones. Adjustments may be necessary considering the massive system modernization already underway. We commit to advising DHS as soon as any adjustment is identified, rather than waiting for the following quarterly update.

Sincerely,

Governor Kate Brown

KB:er

Encls: Oregon REAL ID Compliance Addendum
Oregon High-Level Business Plan



Oregon High-Level Business Plan

Unmet Provision Number and Title	Business Plan/Milestones to Reach Compliance	Reason for Current Non-compliance/Additional Information	Anticipated Compliance Date
§37.13(b)(5) Verify REAL ID driver licenses and identification cards with the State of issuance.	<ol style="list-style-type: none"> 1. July 2017 - Jan 2019: Replace core system and vehicle systems. 2. Jan 2019 - July 2020: Replace drivers system and connect DMV to S2S and US/PVS systems. 	DHS previously approved Oregon’s alternative (manual) approach to this provision. At the time, there was no system available to electronically verify state licenses. When Oregon’s new computer system is connected to S2S, Oregon will switch from a manual process to an electronic process.	July 2020
§37.17(n) Commit to marking fully compliant DL and IDs with a DHS-approved security marking.	<ol style="list-style-type: none"> 1. July 2017 - Oct 2018: Replace card and issuance systems. 2. July 2020: Begin issuing credentials with REAL ID security markings. 	Oregon statute currently prevents the issuance of REAL ID compliant cards until July 2020. REAL ID compliant credentials will have a black star in the header bar when issued.	July 2020
§37.25(a)(2) Prior to renewing a REAL ID DL/ID: Re-verify applicant’s SSN and lawful status, as well as information unable to verify at previous issuances or renewals because systems or processes did not exist.	<ol style="list-style-type: none"> 1. July 2017 - Jan 2019: Prepare and update core system and vehicle systems. 2. Jan 2019 - July 2020: Update drivers system, which will enable DMV to re-verify applicants’ SSN prior to renewing a REAL ID compliant credential. 	<p>Oregon statute currently prohibits DMV from re-verifying an applicant’s SSN during renewal.</p> <p>Chapter 568, 2017 Oregon Law authorizes DMV to re-verify SSN during renewal for REAL ID compliant card issuances only.</p> <p>Oregon currently re-verifies temporary and limited-term applicants’ lawful status through SAVE at each issuance. Customers who have a change in their SSN are also re-verified through SSOLV.</p>	July 2020

Oregon High-Level Business Plan

<p>§37.25(b)(1) If remote REAL ID renewals are permitted: Re-verifies applicant's information through SAVE and Social Security Online Verification (SSOLV) or other methods approved by DHS</p>	<ol style="list-style-type: none"> 1. July 2017 - Jan 2019: core system and vehicle systems. 2. Jan 2019 - July 2020: Replace drivers system and enable DMV to re-verify applicants' SSN through SSOLV during remote renewals. 	<p>Oregon statute does not authorize DMV until July 2020 to re-verify SSN for credentials that are REAL ID compliant. Oregon re-verifies temporary and limited-term applicants' lawful status through SAVE at each issuance.</p> <p>Customers who have a change in their SSN are also re-verified through SSOLV.</p>	<p>July 2020</p>
<p>§37.31(a)(1)-(3) Retains copies of the application, declaration and source documents. Paper copies and microfiche must be retained for seven years. Digital images must be retained a minimum of 10 years.</p>	<ol style="list-style-type: none"> 1. July 2017 - Jan 2019: Replace core system and vehicle systems. 2. Jan 2019 - July 2020: Replace drivers system, and enable DMV to image and store identity source documents. 	<p>Oregon currently retains digital copies of the application and declaration.</p> <p>Imaging of source documents for REAL ID issuances will begin when Oregon begins issuing in July 2020.</p> <p>Oregon will keep digital images for a minimum of ten years.</p>	<p>July 2020</p>
<p>§37.45 Conduct name-based and fingerprint-based criminal history and employment eligibility checks on employees in covered positions or an alternative procedure</p>	<ol style="list-style-type: none"> 1. Continue to conduct name-based criminal history checks on all DMV employees and nationwide background checks for all field office personnel engaged in driver license and ID card transactions. 2. July 2017 - June 2018: Initiate and complete a 	<p>DHS previously approved Oregon's alternative approach to this provision.</p> <p>DMV will begin conducting nationwide name-based and fingerprint-based background checks on new employees and volunteers with access to systems that enable them to affect the information that appears on driver licenses, driver permits or identification cards.</p>	<p>July 2018</p>

Oregon High-Level Business Plan

<p>approved by DHS.</p>	<p>project requiring name-based and fingerprint-based background checks on new employees and volunteers.</p> <ol style="list-style-type: none"> 3. July 2017: All contracts require vendor background checks if vendor employees have access to systems that affect information that appears on credentials. 4. April 2018: Notify employees and union of plans to conduct fingerprint-based background checks on new employees and volunteers. 	<p>Additionally, contractors are required to have background checks if they have access to systems that affect the information on credentials.</p> <p>DMV validates references from prior employment; conducts name-based criminal history records checks; and conducts employment eligibility checks prior to employment. The existing background checks and internal fraud policies give DMV assurance that its employees are well vetted prior to employment and continue to be good stewards after they are offered employment.</p>	
<p>§37.51</p> <p>Commits to be in full compliance with Subparts A through D.</p>	<ol style="list-style-type: none"> 1. July 2019: Begin writing and assembling compliance package following the certification requirements described in §37.55. 2. April 2020: submit documentation for June 2020 DHS approval. 	<p>Oregon commits to being in full compliance with subparts A through D.</p>	<p>April 2020</p>
<p>§37.55</p> <p>Submitted Final Certification Package.</p>	<ol style="list-style-type: none"> 1. July 2019: Begin writing and assembling compliance package. 2. April 2020: Submit compliance package for June 2020 approval. 	<p>Oregon will submit a final certification package once projects are near completion and there is a clear path to final implementation of the REAL ID Act.</p>	<p>April 2020</p>

Oregon High-Level Business Plan

§37.71(a)(1)-(2) Clearly indicate non-compliant cards	<ol style="list-style-type: none">1. July 2017 - Sept 2018: Update card and issuance systems.2. July 2020: Begin issuing credentials that are marked as non-compliant.	Oregon statute currently prevents issuance of REAL ID compliant cards. Non-compliant credentials will have “Not for REALID Act” in the header bar when issued.	July 2020
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REAL ID Business Plan

	CY 2017		CY 2018				CY 2019				CY 2020		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
§37.13(b)(5)							STP Program Phase 2 - Includes connecting to S2S						
§37.17(n)	Driver license issuance project												
§37.25(a)(2)							STP Program Phase 2 - Includes reverifying SSN at renewal						
§37.25(b)(1)							STP Program Phase 2 - Includes reverifying SSN for remote renewal						
§37.31(a)(1)-(3)							STP Program Phase 2 - Includes imaging and storing identity source documents						
§37.45	Implementing fingerprint-based employee background checks												
§37.51									Prepare and submit final certification package				
§37.55									Prepare and submit final certification package				
§37.71(a)(1)-(2)	Driver license issuance project												
Compliant Cards													

KEY	
Project In Progress	
Milestone	

REAL ID Milestones			
Provision Number	Due Date	Project	Milestone/Deliverable
§37.13(b)(5)	7/1/2020	STP	Complete Driver's STP Phase
§37.17(n)	4/1/2018	DLIR	Begin Pilot Phase
§37.17(n)	10/1/2018	DLIR	Complete issuance system/card project.
§37.25(a)(2)	7/1/2020	STP	Complete programming for reverifying SSN at renewal.
§37.25(b)(1)	7/1/2020	STP	Complete implementation of reverifying SSN during remote renewal.
§37.31(a)(1)-(3)	7/1/2020	STP	Complete implementation of copying and storing source documents.
§37.45	7/1/2018	CBC	Begin requiring fingerprint-based CBCs
§37.51	6/1/2020		Receive Approval From DHS to issue REAL IDs
§37.55	6/1/2020		Receive Approval From DHS to issue REAL IDs
§37.71(a)(1)-(2)	4/1/2018	DLIR	Begin Pilot Phase
§37.71(a)(1)-(2)	10/1/2018	DLIR	Complete issuance system/card project.



Homeland Security

October 16, 2017

The Honorable Kate Brown
Governor of Oregon
State Capital Room 160
900 Court Street N
Salem, Oregon 97301

Dear Governor Brown:

The Department of Homeland Security (DHS) recognizes the State of Oregon's efforts in supporting our shared goal of improving the security of state-issued driver's licenses and identification cards.

As indicated in your letter, Oregon has a path forward towards satisfying REAL ID requirements and anticipates that it will achieve full compliance by July 2020. As such, DHS is granting Oregon an extension through October 10, 2018 to satisfy the requirements of the REAL ID Act and regulations. For the duration of this extension, federal agencies may accept Oregon-issued driver's licenses and identification cards for official purposes. For your convenience and based on information provided by your state, enclosed is a list of regulatory provisions that Oregon currently meets and the timeline for when it expects to implement the outstanding provisions needed to become fully compliant.

In granting this extension, I stress the importance of Oregon using the additional time to satisfy any unmet requirements. The final enforcement phase for federal official purposes that covers acceptance of state-issued driver's licenses and identification cards for purposes of boarding federally-regulated commercial aircraft begins on January 22, 2018. The regulatory card-based enforcement date of October 1, 2020 is also fast approaching. Beginning on that date, individuals may only use their state-issued license or identification card for federal official purposes if the document itself is issued in accordance with the REAL ID standards by a REAL ID compliant state. I am committed to enforcing the REAL ID Act in accordance with the phased enforcement schedule and regulatory timeframes. Therefore, the sooner that a state becomes compliant, the more time its eligible residents will have to acquire a compliant license or identification card before the October 2020 deadline.

For these reasons, Oregon – along with all other noncompliant states with an extension – will need to participate in a quarterly review with DHS to demonstrate its progress in implementing any remaining REAL ID requirements. Failure to demonstrate continued progress in these reviews could result in the revocation of the State's current extension and your jurisdiction being subject to federal enforcement of the REAL ID Act and regulation. If

The Honorable Kate Brown
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revocation occurs, your residents would need to have an alternative acceptable ID, where identification is required, to access federal facilities, military bases, nuclear power plants, and, beginning January 22, 2018, to board commercial aircraft. A full list of identification documents accepted by the Transportation Security Administration at airport security checkpoints can be found at www.tsa.gov.

Please do not hesitate to contact me or DHS's REAL ID program at (202) 447-3368 if you have any questions or comments about this extension. For all other homeland security issues, you may contact the DHS Office of Intergovernmental Affairs at (202) 282-9310.

I look forward to continuing to work with you on this and other homeland security matters.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Duke". The signature is fluid and cursive, with the first letter "E" being particularly large and stylized.




Elaine C. Duke
Acting Secretary

cc: General Michael Stencel, Adjutant General, Oregon Department Military

Enclosure

States and Territories Certified by DHS as being Real ID Compliant

Updated November 2017

-  Compliant
-  Extension
-  Under Review

- Territories**
-  American Samoa
 -  Guam
 -  N. Marianas
 -  Puerto Rico
 -  Virgin Islands

