

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 HSTA 12386

**HB**

**390**



# Representative Scott Jiu Wo Kawasaki

Alaska State Legislature

District 9 Fairbanks

## MEMORANDUM

Date: Tuesday, March 04, 2008

To: Representative Bob Lynn, Chair  
House State Affairs Committee

From: Scott Kawasaki  
Representative District 9

 for Scott  
Kawasaki

RE: House Bill 390

---

I respectfully request that you schedule a hearing in the House State Affairs for HB 390, "Prohibit State Spending for Real ID."

A copy of the bill, a sponsor statement, and additional material are attached. Due to the high volume of information I have not included all of the documents on Real ID; please contact my office for additional resources if the committee needs more information than provided in the bill packet.

There will be several people from various locations around the state and out of state who wish to testify via teleconference.

If you have any questions or need additional information, please call Brodie Anderson at 465-3466.



# Representative Scott Jiu Wo Kawasaki

Alaska State Legislature

District 9 Fairbanks

## HB 390 Sponsor Statement

Alaska has a long tradition of representing diverse populations and protecting civil rights. Alaska has always stood for the expansive protections guaranteed by the United States constitution and Alaska State Constitution. The Real ID Act of 2005 has serious Constitutional and privacy problems that threaten every Alaskan. Through Real ID the federal government is attempting to interfere with states' sovereignty and force the states to implement the program through state-issued driver's licenses. HB 390 prohibits the use of state money to implement the Real ID Act of 2005 in order to protect Alaskans from these infringements.

Real ID will require that states place specified information on electronically readable driver's licenses or the licenses will not be honored by federally regulated airlines and federal agencies. Implementation of the REAL ID Act will place additional, undue burden on Alaska implementing the Act and even jeopardize employment for certain workers. Alaskans will be subject to longer waiting periods and lines while our Nations borders will not be any more secure. The Federal Government will also require mandatory access to shared information to all states and governmental security agencies.

The REAL ID Act was passed without due deliberation among federal policy makers and affected constituents creating a flawed law. It serves as unwarranted intrusion on the privacy of individuals, widens access to those who would commit identity theft and ignores many of the rights guaranteed to Americans by the United States Constitution.

The implementation of Real ID is one of top concerns for states across the nation. Eighteen states have already passed legislation that opposes Real ID. Similar bills are pending in eighteen other states. It is time for Alaska to join the effort and stand up for state sovereignty, personal privacy and oppose Real ID.

I urge your support on this important bill to protect the privacy of the citizens of Alaska.



## The History of Federal Requirements for State Issued Driver's Licenses and Identification Cards

### Today: Where We Stand

On January 11, 2008, the U.S. Department of Homeland Security (DHS) released final regulations to implement the requirements of the Real ID. The release of the final regulations precede the May 11, 2008 deadline by a mere 120 days. DHS estimates the costs for states to implement the Real ID will not exceed \$3.9 billion.

On May 11, 2008, state driver's licenses and identification cards will not be accepted for federal purposes unless DHS determines a state is compliant with the Real ID or a state has been approved for an extension by DHS. States will have until March 31, 2008, to seek an initial extension of the Real ID compliance date.

According to a study conducted by NCSL, the National Governors Association and the American Association of Motor Vehicle Administrators, the act will cost states more than \$11 billion to implement over five years and will have a major impact on services to the public.

To date, Congress has appropriated only \$90 million to assist states with implementation of the Real ID, of which only \$6 million has been obligated. The President's budget proposals have not included any funding requests to assist states with the implementation of the Real ID.

To read a copy of the Final Real ID Regulations, [click here](#).

### December 2007

December 26, 2007, President Bush signed into law the Consolidated Appropriations Act of 2008 (H.R. 2764, P.L. 110-161), which included \$50 million to assist states with the implementation of the Real ID. *To read the full text of the Consolidated Appropriations Act of 2008, [click here](#).*

On December 13, 2007, the Department of Homeland Security (DHS) released grant guidance for a Real ID Grant Program, which provides \$31 million to states to assist with the implementation of the Real ID. The grant guidance indicates a preference for state applications that demonstrate a willingness to work collaboratively with other states or entities in the development of the personal identification verification systems.

To view a copy of the DHS Real ID Grant Guidance, [click here](#).

To download a copy of the Real ID Grant Application Package, [click here](#).

### March 2007

On March 1, the Department of Homeland Security (DHS) issued the long awaited draft regulations on Real ID Act implementation. The regulations were subject to a 60-day comment period, which expired on May 8, 2007. The draft regulations incorporated a number of recommendations made to DHS by NCSL, governors and motor vehicle administrators. However, recommendations to provide a 10-year reenrollment period and exempt certain populations from the Real ID process, which would have reduced costs, were not included. DHS estimated the cost of implementation at \$23.1 billion over 10 years, of which \$10 billion to \$14 billion are costs to states.

### September 2006:

According to a study conducted by NCSL, the National Governors Association and the American Association of Motor Vehicle Administrators, the act will cost states more than \$11 billion to implement over five years and will have a major impact on services to the public. All 245 million driver's license (DL) and identification card (ID) holders will be required to make an in-person visit to their DMV in order to obtain a Real-ID compliant license. As a result, states will need to hire more employees and expand business hours to meet the deadline.

### May 2005: Real ID Act of 2005

On May 11, 2005, President Bush signed into law the "Emergency Supplemental Appropriation for Defense, the Global War on Terror, and Tsunami Relief, 2005" (H.R. 1268, P.L. 109-13), which included the "Real ID Act of 2005." Title II of Real ID—"Improved Security for Driver's License and Personal Identification Cards"—repeals the provisions of a December 2004 law (P.L. 108-458) that established a

negotiated rule making process to create federal standards for driver's licenses and instead directly imposes prescriptive federal driver's license standards.

To read the full text of the Real ID Act, [click here](#).

#### **December 2004: Intelligence Reform Legislation**

In December 2004, President George W. Bush signed into law the National Intelligence Reform Act of 2004 (P.L. 108-458). The legislation was in response to the recommendations made by the 9/11 commission to reform the U.S. Intelligence community and to implement other security measures to prevent future terrorist attacks against the U.S. The law, among other things, required the U.S. Secretary of Transportation to establish a negotiated rule making process to establish minimum standards for state-issued driver's licenses (DL) and identification cards (ID). The negotiated rule making process was repealed with the enactment of "*Emergency Supplemental Appropriation for Defense, the Global War on Terror, and Tsunami Relief, 2005*" (H.R. 1268, P.L. 109-13), which included the "Real ID Act of 2005."

#### **July 2004: 9/11 Commission Report**

In July 2004, the 9/11 Commission issued a 585 page report on how to reform the United States Intelligence community and to implement other security measures to prevent future terrorist attacks against the United States. On page 390, under the heading Immigration Law and Enforcement, the Commissioner recommended the following: "Secure identification should begin in the United States. The federal government should set standards for the issuance of birth certificates and sources of identification, such as driver's licenses. Fraud in identification document is no longer just a problem of theft. At many entry points to vulnerable facilities, including gates for boarding aircraft, sources of identification are the last opportunity to ensure that people are who they say they are and to check whether they are terrorists."

([PDF icon](#)) [download PDF version, 585 pages: The 9/11 Commission Report](#)) To read portable document format (.pdf) files, you must install [Adobe Acrobat Reader](#).

#### **July 2002: National Strategy for Homeland Security**

On October 8, 2001, President Bush established the Office of Homeland Security within the White House, and its first responsibility was to produce the first *National Strategy for Homeland Security*, which was released in July 2002. Recognizing the role of states in homeland security, the report outlines major state initiatives, including driver's licenses. In particular the report states: "While the issuance of driver's licenses falls squarely with the powers of the states, the federal government can assist the states in crafting solutions to curtail the future abuse of driver's licenses by terrorist organizations. Therefore, the federal government, in consultation with state government agencies and non-governmental organizations, should support state-led efforts to develop minimum standards for driver's licenses, recognizing that many states should and will exceed these standards."

#### **September 11, 2001:**

On September 11, 2001, America was attacked. The sheer horror of that day mobilized the nation. The resources and resolve of federal, state and local government, and the public at large, were now in service to secure our homeland. While prior to September 11th, states were already implementing numerous security measures to counter issues with counterfeit driver's licenses (DLs) and identification cards (IDs) and dated licensing procedures, after September 11th states accelerated these efforts to ensure that their DLs/IDs were secure.

---

© 2008 National Conference of State Legislatures, All Rights Reserved

**Denver Office:** Tel: 303-364-7700 | Fax: 303-364-7800 | 7700 East First Place | Denver, CO 80230 | [Map](#)

**Washington Office:** Tel: 202-624-5400 | Fax: 202-737-1069 | 444 North Capitol Street, N.W., Suite 515 | Washington, D.C. 20001



NATIONAL CONFERENCE  
of STATE LEGISLATURES

*The Forum for America's Ideas*



American Association of  
Motor Vehicle Administrators

May 8, 2007

Department of Homeland Security  
Attn: NAC 1-12307  
Washington, D.C. 20528

**Re.: DHS-2006-0030 – Minimum Standards for Driver's Licenses and Identification Cards  
Acceptable by Federal Agencies for Office Purposes**

To whom it may concern:

In response to the Notice of Proposed Rulemaking (NPRM), the National Governors Association (NGA), National Conference of State Legislatures (NCSL) and the American Association of Motor Vehicle Administrators (AAMVA) respectfully submit the following comments and recommendations.

Governors, state legislators and motor vehicle administrators share the goal of improving the security and integrity of state issued driver's license and identification cards. They believe that state innovation in this vein, both before and immediately after 2001, is noteworthy and will remain the foundation for secure identification documents while maintaining customer service standards and meeting the needs of the traveling public. During this regulatory process and the implementation phases to follow, close cooperation between the Department of Homeland Security (DHS) and state officials—especially state policymakers and state driver's license administrators—will be crucial to ensuring that the processes and the products envisioned for Real ID create the desired, secure identification document without unduly burdening states or citizens.

Governors, state legislators and motor vehicle administrators acknowledge that the draft regulations released in early March by DHS reflect a number of recommendations for implementation made in the attached September 2006 Report—*The Real ID Act: National Impact Analysis*—issued by our state groups. For example, the draft regulations provide states important flexibility through the self-certification process. They allow states to develop waiver and exceptions processes, define which categories of department of motor vehicle (DMV) employees are subject to background checks, and potentially determine the physical security requirements of the DMV facilities. We encourage DHS to maintain these flexibilities in the final regulation.

The draft regulations, however, do not address several major state recommendations designed to ensure successful and cost-effective implementation of the act. For example, we called on DHS to extend Real ID's compliance deadlines and implement a ten year reenrollment period for all citizens. The proposed May 11, 2008 start date and 2013 completion date do not provide sufficient time for states to prepare for implementation or to reenroll their populations. Failure to follow state developed recommendations, all of which are designed to improve systems, increase security and manage taxpayer resources in a

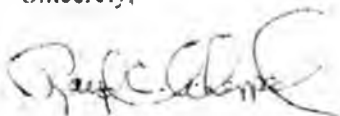
responsible manner, will only serve to undermine state efforts to conform with the requirements of Real ID. Specifically, NGA, NCSL and AAMVA reiterate the following recommendations:

- Provide a workable extension of the compliance deadline;
- Provide funds necessary for states to comply with the Real ID;
- Allow states to implement a 10-year, progressive reenrollment period;
- Allow reciprocity for persons already vetted by the federal government;
- Provide the federal electronic systems necessary to comply with the law;
- Require states to employ electronic verification systems only as they become available;
- Adopt uniform naming conventions to facilitate electronic verification between files; and
- Establish card security criteria based on performance, not technology.

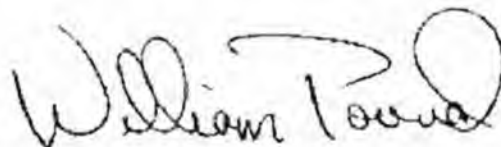
Many of these recommendations apply directly to provisions outlined in the NPRM and should be included in the final rule to better facilitate state implementation of Real ID. (Detailed recommendations are attached, *see* Appendix A.) The American Association of Motor Vehicle Administrators submitted additional comments reflecting a number of these recommendations and made additional recommendations on behalf of their membership.

Governors, state legislators and motor vehicle administrators remain committed to secure driver's licenses and identification cards. The changes we are recommending for the proposed rule will help ensure that states, if they choose to do so, are able to implement the Real ID program in a cost-effective, customer-friendly, and logical manner. We look forward to working with Congress on issues beyond the scope of DHS rulemaking authority. However, we believe that all of our recommendations in response to the NPRM are within DHS' authority to adopt and will advance the goals of Real ID. We look forward to working with DHS toward implementation of our recommendations.

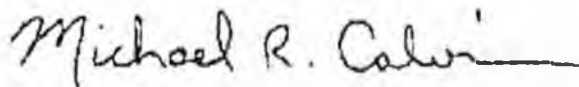
Sincerely,



Raymond C. Scheppach  
Executive Director  
National Governors Association



William T. Pound  
Executive Director  
National Conference of State Legislatures



Michael R. Calvin  
Interim President and CEO  
American Association of Motor Vehicle  
Administrators

Attachments: *The Real ID Act: National Impact Analysis*

## Appendix A

### **Section 37.3 - Definitions**

- Ensure the final regulations maintain the department's narrow definition of "official purpose"—accessing federal facilities, boarding federally regulated commercial aircraft and entering nuclear power plants.
- Establish an official process, to include state policymakers and administrators, for future application/expansion of the definition of "official purpose."

### **Section 37.5 - Deadlines and Validity Periods for Real ID Driver's Licenses and Identification Cards**

- Extend from May 11, 2013 to May 11, 2018, the date by which states will need to reenroll all existing driver's licenses and identification card holders. For states receiving an extension to December 31, 2009, allow the reenrollment period to begin on January 1, 2010. All states must be provided the ability to have up to 10 years to reenroll existing driver's licenses and identification cards.
- Allow states to waive the verification process for individuals already vetted by the federal government. The final regulations should allow individuals with, for example, military identification cards, federal employee credentials, U.S. Passports and/or Transportation Worker Identification Credentials to be considered pre-qualified for a Real ID compliant driver's license or identification card.
- Exempt from the Real ID process certain segments of applicants. We recommend this be based on certain requirements related to applicable risk such as year of birth or duration of continuous relationship with the state of licensure.

The draft regulations pose the question whether individuals born before 1935 who have established histories with a state should be wholly exempt from the birth certificate verification requirements of this regulation, or whether, as proposed, such cases should be handled under each state's exceptions process.

- Governors, legislators and motor vehicle administrators support the exemption of this population, and those with a long-standing relationship with the state from the requirements of the Real ID.

### **Section 37.11 – Application and Documents the Applicant Must Provide**

- Provide states the flexibility to engineer their system and business processes to allow for a facial image to be captured prior to a credential being denied. Do not limit a state by requiring the picture to be taken upon "application."
- Eliminate the requirement that states provide DHS with quarterly reports analyzing the use of the exceptions process and any trends that indicate potential vulnerabilities. DHS can review these as part of their audit process or states can submit this as part of the annual self-certification process.

**Section 37.13 – Document Verification Requirements**

- Ensure the final regulations explicitly exempt states from employing the electronic verification systems until a date in the future when they are operational at a national level.
- Prohibit federal agencies from charging the states transaction fees for use of the required electronic verification of federal information.

**Section 37.15 – Physical Security of Features for the Driver's License or Identification Card**

- Establish card security requirements based on performance and not technology. While not explicitly stated, it is implied that states will need to use polycarbonate card stock. The final regulations must provide states more flexibility in the choice of card stock.

**Section 37.17 – Requirements for the Face of the Driver's License or Identification Card**

DHS posed the following question in the draft regulations: How can DHS tailor the address of principal residence requirement to provide for the security of classes of individuals such as federal judges and law enforcement officers?

- Allow states to continue to use current practices for masking address of principal residence for those individuals in protected classes.

**Section 37.19 – Machine Readable Technology on the Driver's License or Identification Card**

- Ensure the final regulations do not require states to encrypt the information contained in the machine readable zone of the card.
- Allow state laws to govern the use and protection of this information.

**Section 37.21 – Temporary Driver's License and Identification Card**

- Replace the requirement that temporary driver's licenses and identification cards must clearly state on the face of the card, in bold lettering, that it is temporary and instead allow states to use a restriction code on the front with clarifying language on the back, as is standard for other license restrictions. P.L. 109-13 only requires that the card clearly indicate it is temporary.

**Section 37.23 – Renewed and Reissued Driver's Licenses and Identification Cards**

- Eliminate the requirement in Section 37.23 (b)(1)(ii), as it relates to address changes.
- Allow states to propose interim methods of tracking address changes between renewal cycles without the requirement for the full issuance of a replacement credential.

**Section 37.31 – Source Document Retention**

- Exempt from this requirement documents presented by an applicant to prove principal address.

**Section 37.33 – Database Connectivity with Other States**

- Consider the Commercial Driver's License Information System (CDLIS) as a possible model on which to base a "pointer system" to establish connectivity between state DMV databases.

**Section 37.43 – Physical Security of DMV Facilities**

- Do not require state DMVs to adopt the American National Standards Institute/North American Security Products Organization's "Security Assurance Standards for the Document and Product Security Industries," ANSI/NASPO-SA-v3.OP-2005, Level II, as the preferred performance-based standard for physical security of DMV facilities
- Either require states to address this requirement as part of their self-certification process or establish a working group of state policymakers and administrators to develop appropriate standards.

**Section 37.45 – Background Checks for Covered Employees**

- Make the requirement of a financial history check of employees a state option instead of a mandate. P.L. 109-13 only requires "appropriate security clearance requirements."
- Prohibit the Federal Bureau of Investigation from charging states a fee for accessing their systems.

DHS specifically requested comments on the federalism aspects of the background check requirements proposed under this rule.

- Ensure the final regulations continue to provide states maximum flexibility to determine which employees are subject to the requirements of this section.

**Section 37.55 – Initial State Certification**

- Eliminate the requirement that states submit a copy of all statutes, regulations, and administrative procedures and practices that demonstrate the state's implementation program for this part. This is unnecessary and overly burdensome.

**Section 47.57 – Annual State Certification and Section 37.59 – DHS Reviews of State Compliance**

- Establish timeframes, similar to those imposed on the states (30 days) in both of these sections in which DHS must respond/reply to states.

**Section 37.63 – Extension of Deadline**

- Provide states that are granted an extension with the full reenrollment period, provided for in the final regulations. Governors, legislators and motor vehicle administrators recommend a 10-year reenrollment period.

**Section 37.67 – Non-Real ID Driver's Licenses and Identification Cards**

- Allow states to meet this requirement by placing a restriction code on the front of the license, with clarifying language on the back.

# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

## Real ID Regulations ... Finally Updated February 12, 2008

### *Brief 1*

#### *Deadlines, Definition of Official Purpose, Reenrollment, State Certification and Reporting, State Exceptions Process, and Funds*

On January 11, 2008, the Department of Homeland Security (DHS) issued the long awaited final regulations on Real ID Act implementation, a mere **120 days before the May 11, 2008 deadline**. The regulations were printed in the *Federal Register* on January 29, 2008. The final regulations incorporate a number of recommendations made to DHS by NCSL, governors and motor vehicle administrators. However, DHS still estimates the cost of implementation to the states at \$3.99 billion.

Over the next week, NCSL will publish a series of briefs summarizing different sections of the regulations. In addition, this will include a comparison of the requirements to the recommendations included in the September 2006 report—*The Real ID: National Impact Analysis*—issued by NCSL, governors and motor vehicle administrators. Brief 2 will focus on Physical Security of DMV Facilities and Databases, and Employee and Applicant Background Checks.

A copy of the final regulations, the September 2006 report, and other resources on Real ID are available at: <http://www.ncsl.org/realid>

#### *State Deadlines*

In order for a state's driver's license (DL) or identification card (ID) to be accepted for federal purposes, a state must certify to DHS that the state is compliant with the requirements of the Real ID on or before May 11, 2008. Initially, state certification may take two forms:

- A state may certify that it fully complies with the requirements of the Real ID: **OR**
- A state may request an initial extension by **March 31, 2008**. DHS will notify states of the initial extension within 45 days or receipt of the state's request. The initial extension would expire on December 31, 2009.

States may request an additional extension until May 10, 2011, by submitting a Material Compliance Checklist (see *State Certification and Reporting* below), which requires states to indicate their level of compliance with the Real ID. States must file for the additional extension by October 11, 2009.

Additional extensions may be granted at the discretion of Secretary of Homeland.

A state-issued DL and ID will be accepted for federal purposes if a state has received an extension or the state is deemed fully compliant with the requirements of the Real ID.

#### *Official Purpose*

As recommended by NCSL, governors and motor vehicle administrators, the final regulations limit the "official purpose" of the Real ID to the uses expressly stated in the Act: accessing federal facilities, boarding commercial aircraft and entering nuclear power plants.

#### *Reenrollment*

A state-issued DL and ID must meet the requirements of the Real ID:

- By December 1, 2014 for individuals born after December 1, 1964; AND
- By December 1, 2017 for individuals born before December 1, 1964.

NCSL, governors and motor vehicle administrators had recommended DHS adopt a 10 year reenrollment period.

#### *State Certification and Reporting*

The final regulations create two levels of compliance for states prior to May 11, 2011: material compliance versus full compliance.

Under the material compliance threshold, a state must provide DHS with the status and operational date of state compliance with the Real ID. DHS will require states to submit a "Material Compliance Checklist." A state must be materially compliant with the requirements of the Real ID by January 1, 2010, to receive an additional extension to May 10, 2011 date (see *State Deadlines* above).

Under the full compliance threshold, a state must meet all the requirements of the Real ID OR "have a Real ID Program that DHS has determined to be comparable to the standards" of the Real ID. A state must certify that it meets these requirements at least 90 days prior to the effective date of full compliance.

States must submit the following to DHS for review to be deemed fully compliant with the Real ID:

- A certification by the highest level Executive official in the state overseeing the Department of Motor Vehicles that reads as follows: "I, [name and title (name certifying official), (position title) of the State (Commonwealth) of \_\_\_\_\_, do hereby certify that the State (Commonwealth), has implemented a program for issuing driver's licenses and identification cards in compliance with the requirements of the Real ID Act of 2005, as further defined in 6 CFR Part 37, and intends to remain in compliance with these regulations."
- A letter from the state Attorney General confirming the state has the legal authority to impose the requirements necessary to meet the standards established;
- A description of the states exception process and the state's waiver process (see below); and
- The state's security plan.

States will have to re-certify every three years and are subject to DHS review at any time. Under the final regulations, states must provide any reasonable information to DHS "pertinent to determining compliance," and permit DHS to "conduct inspections of any and all sites associated with the enrollment of applicants...production, manufacture, personalization and issuance of [DL] and [ID]."

#### *Exceptions Process*

NCSL, governors and motor vehicle administrators advocated for an exceptions process to address certain circumstances. Under the final regulations, states may use the exceptions process for individuals who have difficulties producing some of the required identification documents, such as proof of identity or date of birth, and must therefore rely upon other alternate documents.

Under the state's exception process, a state must:

- Make reasonable efforts to establish the authenticity of the alternate documents;
- Maintain a record that the exception process was used in the application process;
- Retain a copy or image of the alternate documents used in the application process in the same manner as for other source documents;
- Conduct a review of the state's exception process; and
- Provide DHS with a copy of the state's review of its exception process as part of the state's certification.

The exception process does not apply to precautions taken on behalf of state-issued DL and ID for federal, state and local officials, including criminal justice agencies that require safeguards due to official duties.

#### *Funds*

To date, Congress has appropriated only \$90 million to assist states with implementation of the Real ID, of which only \$9 million has been obligated. The President's FY 2006, FY 2007 and FY 2008 budget proposals did not include any funds to assist states with the implementation of the Real ID.

DHS will again enable states to use up to 20 percent of their State Homeland Security Grant Program (SHSGP) Funds for implementation of the Real ID. Under current law states are required to pass 80 percent of these funds to local governments, leaving only 20 percent for the states. This program received \$890 million in federal funds in FY 2008, which represented an increase over FY 2007 through the consolidation of the Law Enforcement Terrorism Prevention Program.

**For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([garner.girthoffer@ncsl.org](mailto:garner.girthoffer@ncsl.org); (202) 624-7753).**



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

January 16, 2008

## *Real ID Final Regulations: Brief 2*

### **Identification Documents, Verification Systems and Privacy**

This is the second brief in a series summarizing the final regulations for implementation of the Real ID Act of 2005. In particular, this brief relates to sections of subparts B, C, and D of the regulations. Brief #3 will focus on the physical security requirements for the department of motor vehicle (DMV) facilities and background checks for DMV employees and Brief #4 will address requirements for the Real ID compliant card. The final regulations, Brief 1 and other resources on Real ID are available at: <http://www.nesl.org/realid>

### *Identification Documents*

Under the Real ID Act, states and territories are required to verify, with the issuing agency, the validity of the identification documents an applicant presents to establish:

- identity;
- date of birth;
- proof of social security number or that the person is not eligible for a social security number;
- the person's name and address of principal residence; and
- the person's lawful status in the United States.

The regulations define "verify" to mean authenticating that a source document is genuine and has not been altered and then validating identity data contained on the document.

An applicant would have to present at least one of the acceptable documents proposed by the Department of Homeland Security (DHS) and sign a declaration under penalty of perjury that the information presented is true and correct:

- a valid unexpired U.S. Passport (approximately 25 percent of Americans hold passports);
- a certified copy of a birth certificate;
- a consular report of birth abroad;
- a valid, unexpired permanent resident card (Form I-551);
- an unexpired employment authorization document (EAD) (Form I-766 or I-688B);
- an unexpired foreign passport with valid U.S. visa affixed accompanied by Form I-94;
- a U.S. certificate of citizenship;
- a U.S. certificate of naturalization;
- a REAL ID driver's license (DL) or identification card (ID) issued subsequent to the standards established by the regulations; or
- such other documents as DHS may designate later in the Federal Register.

States must retain a copy of the declaration and a new declaration must be signed when applicants present new source documents.

If an individual's name has changed through adoption, marriage, divorce or other court order, the individual must present documents showing the legal name change. The documents must come from a court, government agency, or other entity as determined by the state. States must maintain copies of documentation as well as a record of both the recorded name and the name on the source documents. Depending on the form in which documents are retained, states must maintain them for a minimum of seven (7) years up to a maximum of ten (10). Brief #6 will address documentation and retention in greater detail.

States can have an exceptions process for individuals who, for reasons beyond their control, are unable to present all necessary documents and must rely on alternate documents to establish identity. Alternative documents for lawful presence may only be used to demonstrate U.S. citizenship. For more on the exceptions process, see Brief #1.

### *Verification of Identity Documents*

NCSL, governors and motor vehicle administrators recommended that states be required to employ electronic verification systems only as they become available. They also recommended that DHS prohibit federal agencies from charging states transaction fees for accessing the required systems. The final regulation calls on states to use these systems as they become available or to use alternative methods approved by DHS, and it appears that states can still expect to pay transactional access costs.

The Act contemplates that states will need to have access to 6 national databases for the purposes of verifying the validity of the required identification documents. This includes access to:

<b>Verification System</b>	<b>Status</b>
Social Security On-Line Verification (SSOLV)	Almost all states currently use this system.
Department of State	DHS is working with the Department of State to make it available.
Electronic Verification and Vital Events (EVVE)	System is currently in a pilot phase.
Systematic Alien Verification for Entitlements (SAVE)	All 50 states have Memorandums of Understanding (MOUs) for access to SAVE; however, only 20 are currently using it to verify lawful status.
Student and Exchange Visitor Information System (SEVIS)	DHS expects states to access SEVIA via SAVE, and the draft regulations suggested that connection could be in place by May 2008.
All-State DL/ID Records System	DHS issued a request for proposals largely intended to develop this system in December 2007.

DHS stated in the draft regulations that it will support the development of, but will not operate, a federated querying system, where a state could conduct all queries through one portal. State participation will be voluntary. DHS is proposing to leave the operation of this data query, including the development of the business rules, to the states. Working toward this end, on December 13, 2007 DHS published grant guidelines requesting that states submit proposals, preferably collaboratively, to develop this "hub." Applications are due to DHS on January 28, 2008.

### *Verification of Address of Principal Residence*

NCSL, governors and motor vehicle administrators recommended that the address of principal residence be determined by having the applicant provide an affidavit and by providing corroborating documentation.

DHS defines principal address as, "The location where a person currently resides (i.e., presently resides even if at a temporary address) in conformance with the residency requirements of the State issuing the driver's license or identification card, if such requirements exist." DHS is requiring applicants to present at least two documents of the state's choice that include the individual's name and principal residence. A street address is generally required.

### *Verification of Birth Certificates*

DHS anticipates states will be able to electronically verify the issuance of birth certificates through EVVE or another electronic system. If documents do not appear authentic or data does not match and an exceptions process is not appropriate, DHS forbids the state from issuing a REAL ID DL or ID until the information verifies. States are to refer applicants to the document's issuing agency for resolution of the match failure.

### *Verification of U.S. Passports or Consular Reports of Birth Abroad*

It is anticipated that a state will be able to verify these documents with the U.S. Department of State or through other methods approved by DHS.

### *Verification of Valid U.S. Visas Affixed in an Unexpired Foreign Passport*

Individuals presenting this form of documentation would require a SAVE and SSOLV check.

### *Verification of Lawful Status*

NCSL, governors and motor vehicle administrators recommended limiting the acceptance of foreign documents to official passports accompanied by appropriate and clearly defined U.S. immigration documents. The states also recommended limiting document verification to what could be accomplished through an enhanced SAVE program that is fully developed, operational in real-time and accessible to all jurisdictions at no cost to states. The state groups also recommended the expansion of SAVE to include Certificates of Naturalization.

### *Verification of Social Security Number*

DHS proposes allowing an applicant to establish their social security number by presenting a social security card, a W-2 form, a SSA 1099, a non-SSA 1099, or a pay stub with the applicant's name and SSN on it. An alien in the United States without authorization to work is generally not eligible for a SSN. In order to prove ineligibility for a SSN, an alien must present evidence that he or she is currently in a non-work authorized non-immigrant status. States will be required to check the validity of the number using SSOLV.

### *State Database and Connectivity to Other States' Databases*

The regulations require a state to maintain a motor vehicle database that contains at a minimum:

- all data fields printed on the driver's license and identification cards, individual serial numbers of the card, and social security numbers;
- a record of the full legal name and recorded name (as noted above), without truncation;
- all data fields included on the machine-readable zone that are not printed on the front of the card; and
- motor vehicle driver histories, including motor vehicle violations, suspensions and points.

Prior to issuing a Real ID compliant license, states must check with all other states to determine if any state has already issued a Real ID driver's license or card to the applicant. If a state receives confirmation that the applicant holds another Real ID, the regulations require the state to confirm that the applicant has terminated or is terminating the extant Real ID pursuant to state law before issuing a new REAL ID.

DHS is exploring use of AAMVAnet or expansion of Commercial Driver's License Information System (CDLIS) or some other service as the platform for the state-to-state exchange.

### *Privacy*

NCSL, governors and motor vehicle administrators recommended the "masking" of an address for persons in certain protected classes while securely retaining the information in the database. The state groups also recommended that the Driver Privacy Protection Act (DPPA) (18 U.S.C. Sec. 2721, etc. sec) be reconciled to reflect the new responsibilities of DMVs and advances in technology since the DPPA was passed.

The DHS privacy office issued a Privacy Impact Assessment (PIA) on the notice of proposed rulemaking ([http://www.dhs.gov/xlibrary/assets/privacy/privacy\\_pia\\_realidfr.pdf](http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_realidfr.pdf)), which analyzed:

- concerns that the Real ID creates a national identity card or database;
- how personal information will be protected from unauthorized access or use;
- whether and how the personal information stored in digital format on the credentials will be protected against unauthorized use;
- the use of a photograph and address on the credential; and
- the requirement that DMVs conduct a financial history check on covered employees.

In response to these concerns, the DHS privacy office issued a PIA on the final rule. The PIA explains how the final rule addressed the concerns of the initial PIA. A copy of the report can be accessed at: [http://www.dhs.gov/xlibrary/assets/privacy/privacy\\_pia\\_realidfr.pdf](http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_realidfr.pdf).

NCSL has identified a number of provisions in the final regulations that remain of interest as they relate to the protections of individuals' identity.

#### Security Plan/Certification

A state's security plan, as submitted for certification, is required to outline how it will protect the privacy of personally identifiable information collected, disseminated or stored. States must establish a privacy policy regarding personally identifiable information collected and maintained by the DMV. The regulations set the Driver's Privacy Protection Act as the floor for use of personal information collected by DMVs, but states may set more stringent requirements, which will not be subject to DHS review.

#### Protection of Information Contained in Machine Readable Zone (MRZ) of the Card

At this time, DHS is not requiring the encryption of the information contained in the MRZ of the card. States are required to use a PDF417 2D bar code, with the following defined minimum data elements – expiration date, full legal name, transaction date, date of birth, gender, address as listed on card, unique identification number, revision date, inventory control number of the physical document, and state or territory of issuance.

#### Masking the Address for Persons in Certain Protected Classes

States are not required to comply with certain requirements when issuing driver's licenses or identification cards in support of federal, state or local criminal justice agencies or programs that require special licensing and safeguards. These cards must not be distinguishable from other Real ID licenses or cards issued by a state.

**For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@nesl.org](mailto:Jeremy.Meadows@nesl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@nesl.org](mailto:Garner.Girthoffer@nesl.org), 202-624-7753).**



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

January 16, 2008  
*Real ID: Brief 3*

*Physical Security of DMV Facilities and Databases; DMV Employee and Applicant Background Checks*

This is the third brief in a series summarizing "Subpart D" of the final regulations for implementation of the Real ID Act of 2005. Brief 4 will focus on the physical security features of the Real ID card. A copy of the final regulations and other NCSL resources on Real ID, including other briefs, are available at: <http://www.ncsl.org/realid>

*Physical Security of DMV Facilities and Databases*

Under the Real ID Act, a state must ensure "the physical security of locations where drivers' licenses (DL) and identification cards (ID) are produced and the security of document materials and papers from which DLs and IDs are produced."

NCSL, governors and motor vehicle administrators recommended that facility-based risk assessments and mitigation plans be included as part of a state's self-certification process (for additional information on state self-certification, see Brief #1).

*State Security Plans*

The final regulations require that a state's comprehensive security plan address:

- the physical security of the facilities used to produce and store materials used in Real ID card production;
- the security of personally identifiable information maintained at Department of Motor Vehicles (DMV) locations;
- documents and physical security features of Real ID cards (see *Brief #4*);
- access controls for DMV employees and contractors, including:
  - employee identification and credentialing,
  - employee background checks, and
  - controlled access systems;
- periodic training requirements for employees, including fraudulent document recognition programs and security awareness training;
- emergency/ incident response plans;
- internal audit controls; and
- an affirmation that the state has the authority and means to protect the confidentiality of persons issued Real ID compliant ID and DL in support of federal, state and local criminal justice agencies, or special licensing or identification programs to safeguard ID holders in their official capacity.

### ***Physical Security Requirements of Real ID Facilities and Storage Areas***

States must take measures to ensure the physical security of facilities used in the manufacture and issuance of Real ID-compliant DLs and IDs, however, DHS does not stipulate the manner in which a state secures its facilities.

### ***Security of Personally Identifiable Information***

The regulations stipulate that states must take reasonable efforts to protect the personal information used to comply with the requirements of the Real ID, including protections to prevent unauthorized access, use or dissemination of such information. State security plans must detail policies and procedures for document retention and destruction; states must also institute a privacy policy for information collected and maintained by the DMV under the requirements of the Real ID. In addition, states must maintain minimum protections regarding the release and use of personal identifiable information under existing federal law (contact NCSL for more information).

### ***Employee Background Checks***

Under the Real ID Act, a state must ensure that "all persons authorized to manufacture or produce drivers' licenses and identification cards [are subject] to appropriate security clearance requirements."

NCSL, governors and motor vehicle administrators recommended that states be allowed to:

- identify those staff (employee/vendor/contractor) involved in the manufacture and production of DLs and IDs who require security clearance, as part of the state's self-certification;
- subject employees to a minimum of a state and federal background checks;
- grant new hires provisional clearance pending results of a background check ;
- enumerate disqualifying criteria in the state self-certification, as well as procedures for interim hiring pending results of background checks; and
- have a means to deal with the realities of operative personnel laws, regulations and labor relations agreements applying to pre-existing employees.

Under the final regulations, states must conduct background checks on:

- all persons involved in the manufacture or production of a Real ID compliant DL and ID;
- persons that may affect the information on a Real ID compliant DL and ID; or
- current employees or contractors that will be assigned to such positions, or a "covered employee" that meets the first two qualifications.

"Covered employees" are defined as "DMV employees or contractors who are involved in the manufacture or production of Real ID [DL] or [ID], or who have the ability to affect the identity information that appears on the [DL] or [ID]."

Each state will determine which applicants, employees or contractors will be subject to the background check. States will also be required to provide notice to the applicant, employee and contractor that a background check will be conducted.

The background check must include, at a minimum:

- a validation of references from prior employment;
- a name-based and fingerprint-based criminal history records check through the state and two FBI's databases—National Crime Information Center (NCIC) and Integrated Automated Fingerprint Identification System (IAFIS) (at the cost of the state); and
- employment verification as otherwise required by law.

However, background checks substantially similar to the requirements of the regulations do not have to be repeated if conducted on or after May 11, 2006.

The regulations established a bifurcated system for disqualifying an applicant for employment due to a criminal history. Under a "permanent disqualifying criminal offenses," any "covered" applicant, existing employee or contractor is disqualified from employment if the employee or applicant is convicted of certain felonies (for more details contact NCSL).

Under a "interim disqualifying criminal offenses," a "covered" applicant, employee or contractor may also be disqualified, absent a state adopting a waiver process, if:

- convicted of a disqualifying offense within 7 years of the date of employment;
- released from incarceration within 5 years of the date of employment; and
- under a felony warrant until the warrant is released.

For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@ncsl.org](mailto:Garner.Girthoffer@ncsl.org), 202-624-7753).



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

January 18, 2008

*Real ID: Brief 4*

## *Requirements for the Real ID Compliant Card*

This is the fourth brief in a series summarizing the regulations for implementation of the Real ID Act of 2005. This brief relates to several sections of subpart B of the regulations, which focus on the features of the Real ID card. Brief 5 will address regulations for the non-compliant card and temporary cards. A copy of the regulations and other NCSL resources on the Real ID, including other briefs, are available at: <http://www.ncsl.org/realid>

### *Minimum Data Element Requirements*

The Real ID Act prescribes that a certain set of information and features appear on Real ID compliant, state-issued driver's licenses (DL) and identification cards (ID). The law stipulates the following nine as minimums:

1. The person's *full legal name*;
2. The person's *date of birth*;
3. The person's *gender*;
4. The person's *DL or ID number*;
5. A *digital photograph* of the person;
6. The person's *address of principal residence*;
7. The person's *signature*;
8. *Physical security features* designed to prevent tampering, counterfeiting, or duplication of the document for fraudulent purposes; and
9. A common *machine-readable technology*, with defined minimum data elements.

NCSL, governors and motor vehicle administrators made a number of recommendations addressing data element requirements. They include: requiring the capture of up to 125 characters for full legal name; requiring the federal government to adopt and universally apply common naming conventions to its systems; and, with input from states, developing and applying naming truncation guidelines to all systems accessed under the Real ID. In addition, states recommended that the regulations provide states the necessary flexibility to engineer their system and business processes as it relates to the capture of facial images as long as the image is captured when a DL/ID is issued and before a credential is denied.

The regulations detail the statutorily included nine elements that must be included on the face of the Real ID and add the following to the list:

10. *Issue date*;
11. *Expiration date*;
12. *State or territory of issuance*; and
13. *DHS approved security marking*.

The *full legal name* for the Real ID card must be identical to the name shown on the identity document used to obtain the DL/ID (see Brief 2 for more on identity documents). Any name variations due to marriage, divorce, adoption, or court order must be documented. States must maintain a complete record of an individual's name history. The regulations adopt the International Civil Aviation Organization (ICAO) 9303 Standard for the name as it will appear on the face of the DL/ID. This standard requires Latin alphabet characters, allows a total of 39 characters on the face of the card, and provides standards for truncation of longer names.

Each DL/ID must display a unique *card number*. As federal law prohibits the display of a person's Social Security Number (SSN) on a DL, states must generate a different and unique document number.

States must capture a full facial *digital image* of everyone applying for a DL/ID. If a DL/ID is issued, the image must appear on the face of the card; photographs may be black and white or color. If a DL/ID is not issued, DHS requires that states retain the image for at least five years, regardless of the reason for non-issuance. Digital photographs should comply with ICAO standards, including diffused lighting over the full face eliminating shadows or "hotspots," a full face image from the crown to the base of the chin and from ear-to-ear, and prohibition of veils, headdresses or eyewear that obscure facial features or the eyes or create shadows. DHS contends that the law makes no allowances for the exclusion of facial photographs based on religious or other beliefs, but states may issue non-compliant DL and ID in such cases. An applicant's photo should be taken upon reapplication, but not less frequently than every 16 years.

The person's *address of principal residence* must appear on the face of the card. Conforming to recommendations from NCSL, governors, and motor vehicle administrators, the regulations allow for a state exemption processes for confidential addresses (of judges, victims of domestic violence, protected witnesses, etc.) and applicants with no fixed address be continued.

The person's *signature* must meet the size, scaling, cropping, color, borders, and resolution requirements stated in existing American Association of Motor Vehicle Administrators (AAMVA) standards.

The regulations require states to use the existing AAMVA standard 2D bar code for the *machine-readable technology* on the card. DHS requires that the PDF-417 2D bar code approved by AAMVA store the minimum data elements - expiration date, bearer's name, issue date, date of birth, gender, address, unique DL/ID number, DL/ID format revision date, inventory control number, and state or territory of issuance. DHS is not requiring encryption of this machine-readable information.

The card shall also include a *DHS approved security marking* to indicate the card's level of compliance with the Real ID— full v. material compliance (see Brief #1).

#### *Physical Security Features*

The Real ID Act requires states to utilize multiple layers of *physical security features* on a DL and ID that are not reproducible using commonly used or available technologies in order to deter forgery and counterfeiting and to promote an adequate level of confidence in the authenticity of the document.

NCSL, governors and motor vehicle administrators recommended that the regulations establish performance requirements for DL/ID cards rather than mandating use of a specific set of security features. Recommendations also included initiating an advisory group composed of document security experts from federal and state agencies to establish national performance criteria and creating a testing program, in cooperation with states, to determine the resistance of DL/ID cards to tampering, counterfeiting or duplication for fraudulent purposes.

The final regulations require states to employ three levels of card security features for Real ID compliant DL/ID:

- Level 1 must provide for easily identifiable visual or tactile features to allow a cursory examination for rapid inspection;
- Level 2 provides for an examination by trained inspectors with simple equipment; and
- Level 3 provides for inspection by forensic specialists.

For example, a state would choose several features, such as tamper-proof printed information, an optically variable feature or an ultraviolet (UV) responsive feature, and satisfy each level of security required under the final regulations.

However, the regulations do not mandate specific security features or card stock for DL/ID cards. States must conduct a review of it's DL/ID design and submit a report to DHS that indicates the ability that the card design is resistant to compromise and document fraud. DHS may request an independent laboratory conduct analysis regarding the card's security features. States must also notify DHS whenever a security feature is modified, added or deleted.

For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@ncsl.org](mailto:Garner.Girthoffer@ncsl.org); (202) 624-7753).



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

January 21, 2008  
*Real ID Final Regulations: Brief 5*

## *Non-Compliant and Temporary Driver's Licenses and Identification Cards*

This is the fifth brief in a series summarizing the final regulations for implementation of the Real ID Act of 2005. This brief focuses on the non-compliant and temporary driver's licenses (DLs) and identification cards (IDs) and relates to sections of Subparts B and F of the regulations. Brief 5 will focus on document and record retention. The final regulations, prior briefs, and other resources on Real ID are available at <http://www.ncsl.org/realid>.

### *Non-Compliant Real ID Driver's License and Identification Cards*

The Real ID Act itself stipulates that a state complying with REAL ID that also issues non-compliant DLs and IDs must:

- clearly state on the face of the DL/ID that it may not be accepted by any federal agency for federal identification or any other official purpose; and
- use a unique design or color indicator to alert federal agency and other law enforcement personnel that the DL/ID may not be accepted for any such purpose.

NCSL, governors and motor vehicle administrators recommended that the regulations allow states to meet the requirement at reduced cost by placing a restriction code on the front of license, with clarifying language on back.

DHS is requiring that the card clearly states on its face and in the machine readable zone that it may not be accepted by any federal agency for federal identification or any other official purpose. DHS is also requiring states to incorporate a unique design or color indicator to distinguish it from the state's REAL IDs and to alert federal agencies and other law enforcement personnel that it may not be accepted for federal purposes. DHS reserves the right to approve the non-compliant cards designations during the state compliance certification process.

### *Temporary Driver's Licenses and Identification Cards*

Under the Real ID Act, a state must issue a temporary or limited-term DL or ID if an applicant has temporary lawful status and provides evidence, verifiable through SAVE or another DHS-approved method, by presenting one of the following:

- a valid, unexpired nonimmigrant visa or nonimmigrant visa status for entry into the United States;
- a pending application for asylum in the United States;

- a pending or approved application for temporary protected status in the United States;
- approved deferred action status; or
- a pending application for adjustment of status to that of an alien lawfully admitted for permanent residence in the United States or conditional permanent resident status in the United States.

Temporary or limited-term DLs and IDs must clearly indicate on the face of the card and in the machine-readable zone that they are temporary. The law stipulates that the date on which a temporary DL/ID expires must also be clearly indicated (see NCSL Brief #4). The temporary DLs and IDs may only be valid for the time period of the applicant's authorized stay in the United States, but not longer than the state's maximum DL/ID term. If there is no definite end period for the authorized stay, then the DL/ID shall be good for a period of one year.

A state may not reissue a temporary DL/ID unless the document of lawful presence has been extended by DHS or the person has qualified for another lawful status. A renewal of a temporary DL/ID must be in person.

NCSL, governors and motor vehicle administrators recommended that the regulations needed to clarify that the requirements of this provision apply to those deemed temporary due to limited duration of lawful presence, rather than other state-issued "temporary" licenses (e.g. medical restrictions, etc.). It was also recommended that the minimum requirement for identifying restricted license duration should be indicated as a restriction code on the front of the license, with clarifying language on back, as is standard for other license restrictions.

**For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@ncsl.org](mailto:Garner.Girthoffer@ncsl.org), 202-624-7753).**



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

January 21, 2008

## *Real ID Regulations: Brief 6*

### *Document and Record Retention*

This is the sixth brief in a series summarizing the final regulations for implementation of the Real ID Act of 2005. This brief relates to a section of subpart C of the regulations, which focuses on the document and record retention requirements of the final regulations. Brief 7 will address regulations for the renewal and re-issuance process for Real ID compliant driver's licenses (DL) and identification cards (ID). A copy of the regulations and other NCSL resources on the Real ID, including other briefs, are available at <http://www.ncsl.org/realid>.

Under the Real ID Act, states are required to retain copies or images of source documents for issuance of Real ID compliant DL and ID. Copies of source documents must be retained for at least 7 years; images of source documents must be retained for at least 10 years.

NCSL, governors and motor vehicle administrators recommended that the states not be required to capture documents presented by an applicant to verify address of principal residence. It was also recommended that DHS clarify the need for and ability of states to electronically transfer source documents.

Under the regulations, DHS requires states to retain copies of the following documents:

- signed declaration affirming that the information presented by the applicant is true and accurate as required under state law;
- an original or certified copy of identity documents or source documents, such as a birth certificate or passport (see NCSL Brief #2);
- if applicable, the alternate documents used to demonstrate a name change as permitted under state law;
- if applicable, the alternate documents accepted or copies thereof used under a state's exceptions process (see NCSL Brief #1); and
- digital photograph of the applicant or cardholder (also see NCSL Brief #4).

A state must also describe its standards and procedures for safeguarding and destroying source documents in the state's security plan (see Brief #8).

The regulations require that states retain:

- paper copies of source documents for a minimum of 7 years;
- microfiche copies of source documents for a minimum of 10 years;
- digital images of a source documents for a minimum of 10 years; AND
- digital photograph of the cardholder for at least 2 years beyond the expiration of the card; OR
- digital photograph of the applicant (if a DL/ID is not issued) for at least 5 years.

States that choose to store source documents in a digital format must:

- store photo images in Joint Photographic Experts Group (JPEG) 2000 format, or standard that is interoperable with this format;
- store document and signature images in a compressed Tagged Image Format (TIF), or a standard that is interoperable with the TIF standard;
- ensure all images are retrievable if properly requested by law enforcement; and
- upon request by the DL/ID applicant, record and retain the applicant's birth certificate information in lieu of an image or copy thereof.

For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@ncsl.org](mailto:Garner.Girthoffer@ncsl.org), 202-624-7753).



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

February 8, 2008

*Real ID Final Regulations: Brief 7*

*Renewal and Reissuance Process for Real ID Compliant  
Driver's Licenses and Identification Cards*

On January 11<sup>th</sup>, the Department of Homeland Security (DHS) issued the long-awaited final regulations for implementation of the Real ID Act of 2005. This is the seventh brief in a series summarizing the rules and processes for renewing and reissuing Real ID driver's licenses (DL) and identification cards (ID). It relates to sections of Subpart B of the regulations. Brief 8 will focus on state security plans and reporting requirements. The final regulations, prior briefs, and other resources on Real ID are available at <http://www.ncsl.org/realid/>.

*Renewal and Reissuance of Real ID Compliant Cards*

The regulations define a "reissued card" as a card that a state DMV issues to replace a card that has been lost, stolen, or damaged or that contains outdated information. A "renewed card" is a DL or ID that a state issues to replace a renewable DL or ID, presumably on or around the date of expiration.

The Real ID Act limits the period of validity of all Real ID DL/ID cards that are not temporary to a period not to exceed eight years. While states can have validity periods of less than eight years, an individual must apply for a renewal in person at a DMV office at least every 16 years. At least every 16 years, the DL/ID photograph must be updated, the applicant's Social Security number and lawful status must be reverified, and the state must electronically verify any other information that it was not previously able to verify (due to system unavailability or for other reasons).

For renewals between the initial issuance of a Real ID and that occurring in the 16<sup>th</sup> year, states may establish procedures to permit remote (or "non-in-person") renewals. Social Security numbers and lawful presence must be reverified and there can be no "material change" in any of the personally identifiable information (see Brief #2). A change in address of principal residence, however, does not constitute a "material change."

*Renewal and Reissuance of Temporary Cards*

States must verify lawful status via the Systematic Alien Verification for Entitlements system (SAVE) or another method approved by DHS before renewing or reissuing temporary or time-limited Real ID DL/ID. (see Brief #2)

*Renewal and Reissuance of Non-Compliant Cards*

The renewal process of non-Real ID compliant DL/ID cards is not subject to the regulation.

**For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@ncsl.org](mailto:Garner.Girthoffer@ncsl.org), 202-624-7753).**



# Information Alert

National Conference of State Legislatures  
Office of State-Federal Relations

---

February 13, 2008

## *Real ID Final Regulations: Brief 8*

### *State Security Plans and Reporting Requirements*

This is the eighth brief in a series summarizing the final regulations for implementation of the Real ID Act of 2005. This brief relates to sections of subpart B, D and E of the regulations, which focus on state security plans and other reporting requirements as outlined in final regulations. A copy of the regulations and other NCSL resources on the Real ID, including other briefs, are available at <http://www.ncsl.org/realid>.

Under the Real ID Act, the Secretary of the Department of Homeland Security may prescribe the requirements of a state's self-certification request to comply with the Real ID. (see Brief #1)

The final regulations require states to submit a security plan in conjunction with a state's certification. At a minimum, state security plans must address:

- the physical security of the facilities used in the production and storage of Real ID cards;
- the security of personally identifiable information collected, stored, accessed or disseminated by DMV, including a privacy policy regarding personally identifiable information;
- the document and security features of a Real ID compliant card, including the state's use of biometrics and standards utilized;
- access controls for employee credentialing, employee background checks and controlled access to various systems utilized in the production of a Real ID;
- state training programs for fraudulent document recognition, threat identification and the handling of sensitive security information;
- a state's emergency and incident response plan;
- a state's internal audit controls; and
- a state's affirmation to protect the confidentiality of card holder information issued in support of federal, state and local criminal justice activities or protection of the identity of persons serving in an official capacity.

A state security plan must be handled and protected in accordance with federal standards for sensitive security information as determined by the Department of Transportation (see [49 CFR 1520](#)).

### *State Reporting Requirements*

If applicable, states must also provide the Department of Homeland Security (DHS) with the following:

- state request for an extension of the Real ID requirements deadline (see Brief #1);
- state certification documentation (see Brief #1);
- documentation of any exceptions and waiver procedures (see Brief #1); and
- state report(s) on a state's card security evaluation (updated with any security feature modification change)(see Brief #4).

If applicable, a state may also reply to a preliminary DHS finding of non-compliance under the state certification process. The state reply must include an explanation of any corrective action to remedy non-compliance or provide a detailed analysis of why a finding of non-compliance was incorrect. A state's reply must be filed within 30 days of a DHS finding of non-compliance.

For more information contact NCSL staff Jeremy Meadows ([Jeremy.Meadows@ncsl.org](mailto:Jeremy.Meadows@ncsl.org), 202-624-8664) or Garner Girthoffer ([Garner.Girthoffer@ncsl.org](mailto:Garner.Girthoffer@ncsl.org), 202-624-7753).

# ALASKA

## Jurisdiction Impact Analysis Real ID Act

REAL ID ACT REQUIREMENT	IMPACT	ASSUMPTIONS
Introduce Full Legal Name into Driver Licensing System (in Record, on Document)	No impact, required by statute for issuance	
Have following data elements/features on the document <ol style="list-style-type: none"> <li>10. Full Legal Name</li> <li>11. Person's Date of Birth</li> <li>12. Person's Gender</li> <li>13. Person's DL or ID Card Number</li> <li>14. Digital Photograph of Person (and retention)</li> <li>15. Person's Address of Principle Residence</li> <li>16. Person's Signature</li> <li>17. Physical Security Features to prevent tampering, counterfeiting or duplication</li> <li>18. Common Machine Readable Technology</li> </ol>	Currently Required Currently Required Currently Required Currently Required Currently Required Currently printing mailing address with principal residence in database Currently Required Currently Incorporated 2D Machine readable bar code	Reprogramming to print principal residence address
Introduce temporary DL/ID cards and tying end of stay to expiration of DL/ID card (or issuance for no more than 1 year)	Reprogramming required	
Amending card design to show/indicate that it is a temporary document with a "different than usual" expiration date	Reformatting required	
Verification at Source: Enabling your system to electronically verify documentation with: <ol style="list-style-type: none"> <li>1. SSOLV</li> <li>2. SAVE</li> </ol>	SSO' ' expected by 6/06 SAVE must be developed	

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Rev 6/98

Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

# ALASKA

## Jurisdiction Impact Analysis Real ID Act

REAL ID ACT REQUIREMENT	IMPACT	ASSUMPTIONS
Introduce Full Legal Name into Driver Licensing System (in Record, on Document)	No impact, required by statute for issuance	
Have following data elements/features on the document <ul style="list-style-type: none"> <li>10. Full Legal Name</li> <li>11. Person's Date of Birth</li> <li>12. Person's Gender</li> <li>13. Person's DL or ID Card Number</li> <li>14. Digital Photograph of Person (and retention)</li> <li>15. Person's Address of Principle Residence</li> <li>16. Person's Signature</li> <li>17. Physical Security Features to prevent tampering, counterfeiting or duplication</li> <li>18. Common Machine Readable Technology.</li> </ul>	Currently Required Currently Required Currently Required Currently Required Currently Required Currently printing mailing address with principal residence in database Currently Required Currently Incorporated 2D Machine readable bar code	Reprogramming to print principal residence address
Introduce temporary DL/ID cards and tying end of stay to expiration of DL/ID card (or issuance for no more than 1 year)	Reprogramming required	
Amending card design to show/indicate that it is a temporary document with a "different than usual" expiration date	Reformatting required	
Verification at Source: Enabling your system to electronically verify documentation with: <ul style="list-style-type: none"> <li>1. SSOLV</li> <li>2. SAVE</li> </ul>	SSOLV expected by 6/06 SAVE must be developed	

REAL ID ACT REQUIREMENT	IMPACT	ASSUMPTIONS
3. DEERS (DOD) 4. Other jurisdiction (DL/ID card) 5. Birth certificate 6. Other...i.e. third party vendors	Need information on this database Must develop PDPS only check Must develop	
Developing access capability to SAVE system	Must develop	
Introduce equipment into system to capture digital images of identity source documents so that images can be retained in electronic storage in a transferable format	Must develop	
Retain paper copies of source documents for a minimum of 7 years or images of source documents presented for a minimum of 10 years	Must develop	
Subject each person applying for a driver's license or identification card to mandatory facial image capture	Currently required (digital image)	
Establish an effective procedure to confirm or verify a renewing applicant's information	Currently required	
In the event that a social security account number is already registered to or associated with another person to which any state has issued a DL/ID card, the state shall resolve the discrepancy and take appropriate action	In state can identify duplicate number Must connect to SSOLV and set up verification of use between states	
Check other states if a person already was issued a DL in another state	Current tool is PDPS which could be expanded or utilize CDLIS for this purpose	
Ensure physical security of locations where DL/ID cards are produced	Current Practice	
Subject all person's authorized to manufacture or produce DL/ID cards to appropriate security clearance requirements	Needs to be done	
Establish fraudulent document recognition training programs for appropriate employees engaged in the issuance of DL/ID cards	Needs to be implemented	
Limit period of validity of DL/ID cards that are not temporary to a period not exceeding 8 years	Current Licenses/ID's expire in 5 yrs	

REAL ID ACT REQUIREMENT	IMPACT	ASSUMPTIONS
Alternative document design if it does not meet federal standard	Need to develop new format	
Legal Presence Requirement	Legislation introduced with expected passage in 2006	
Provide electronic access to all other states to information contained in the motor vehicle database of the state	Needs to be developed	
Maintain a state motor vehicle database that contains at a minimum: <ul style="list-style-type: none"> <li>▪ All data fields printed on DL/ID cards</li> <li>▪ motor vehicle driver's histories, including motor vehicle violations, suspensions and points on licenses</li> </ul>	Current practice Current practice	
<b>Optional</b> Development and issuance of a certificate of driving – not for federal identification purposes – for those who cannot prove lawful presence.	May consider as option	

**What questions does your jurisdiction have as a result of the passing of the Real ID Act?**

**Alaska will be introducing the DLA in the next session. If it does not pass in 06' will be unable to qualify for grants and federal assistance. This was our comprehension of the REAL ID Act language**

**If your jurisdiction has done an impact analysis please provide us with a copy of the analysis.**

**Alaska has not completed an impact analysis but is in the process.**

## KEY PROVISIONS IN TITLE I OF THE UNFUNDED MANDATES REFORM ACT

Title I of the Unfunded Mandates Reform Act of 1995 (UMRA) attempts to ensure that the Congress has more information about the potential direct costs of federal mandates before enacting legislation. It also establishes procedures designed to make it more difficult for the Congress to enact legislation containing unfunded mandates on other levels of government.

### Defining Mandates and Their Costs

The act defines a mandate as any provision in legislation, statute, or regulation that would impose an *enforceable duty* on state, local, or tribal governments or the private sector, or that would reduce or eliminate the amount of funding authorized to cover the costs of existing mandates. Duties that arise as a condition of federal assistance or from participation in a voluntary federal program are not mandates. In the case of large entitlement grant programs, a new condition or a reduction in federal assistance is a mandate, but only if states lack the flexibility to offset the new costs or the loss of federal funding with reductions elsewhere in the program. Certain provisions--such as those enforcing constitutional rights or those necessary for national security--are excluded from UMRA's procedures.

Direct costs are defined as amounts that mandated entities would be required to spend to comply with the enforceable duty. They also include amounts that states, localities, and tribes "would be prohibited from raising in revenues." Direct costs exclude amounts that would be spent under current laws and programs. They are offset by any direct savings resulting from compliance with the mandate.

### Mandate Cost Statements: CBO's Role

The law requires the Congressional Budget Office (CBO) to provide a statement to Congressional authorizing committees about whether reported bills contain federal mandates. If the total direct costs of all mandates in a bill are above a specified threshold in any of the first five fiscal years in which the mandate is effective, CBO must provide an estimate of those costs (if feasible) and the basis of its estimate. The statutory threshold is \$50 million for intergovernmental mandates and \$100 million for private-sector mandates, adjusted annually for inflation. Authorizing committees must publish CBO's mandate statements in their reports or in the *Congressional Record* before a bill is considered on the floor of the House or Senate.

The CBO statement must also include an assessment of whether the bill authorizes or otherwise provides funding to cover the costs of any new federal mandate. In the case of intergovernmental mandates, the cost statement must, under certain circumstances, estimate the appropriations needed to fund such authorizations for up to 10 years after the mandate takes effect.

Conference committees must, "to the greatest extent practicable," ensure that CBO prepares statements for conference agreements or amended bills if they contain mandates not previously considered by either House or if they impose greater direct costs than the version considered earlier. At the request of a Senator, CBO must estimate the costs of intergovernmental mandates contained in an amendment the Senator may wish to offer.

The Congress may also call on CBO to prepare analyses at other stages of the legislative process. If asked by the Chairman or Ranking Minority Member of a committee, CBO will help committees analyze the impact of proposed legislation, conduct special studies of legislative proposals, or compare a federal agency's estimate of the costs of proposed regulations to implement a federal mandate with CBO's estimate made when the law was enacted.

### Enforcement Mechanisms

Section 425 of UMRA sets out rules for both the House and Senate that prohibit them from considering legislation that contains mandates unless certain conditions are met. Consideration of a reported bill is not "in order" unless the committee has published a CBO statement about the costs of mandates. It is also not in order to consider any bill, amendment, motion, or conference report that would create an intergovernmental mandate, or would increase the direct costs of an existing intergovernmental mandate by more than \$50 million, unless the legislation provides direct spending authority or authorizes appropriations sufficient to cover the costs. Such authorizations would have to be specified for each year (up to 10 years) after the effective date; in the Senate, they would also have to be consistent with the estimated costs of the mandate in the legislation as determined by the Senate Budget Committee. In addition, any bill, amendment, motion, or conference report that authorizes the appropriation of funds to pay for an intergovernmental mandate contained in the bill whose costs exceed the threshold is not in order unless it provides a way to terminate or scale back the mandate if agencies determine that the appropriated funds are not sufficient to cover those costs.

Finally, although UMRA does not specifically require CBO to analyze the cost of mandates in appropriation bills, it is not in order to consider legislative provisions in such bills--or amendments to them--that increase the direct costs of intergovernmental mandates unless an appropriate CBO statement is available.

Those rules are not self-enforcing, however; a Member must raise a point of order to enforce them. In the House, if a Member raises a point of order, the full House votes on whether to consider the bill regardless of whether there is a violation. In the Senate, if a point of order is raised and sustained, the bill is essentially defeated.

**HB**

**396**



# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 396  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services  
 RDU Public Assistance  
 Component PFD Hold Harmless

ID(File name) HB396-DHSS-PFDHH-03-03-08  
 Title INCREASE 2008 PERM. FUND DIVIDEND  
 Sponsor THOMAS  
 Requester HOUSE (STA)

Component No. 225

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		178.0						
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>178.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES (0)</b>								
-------------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1037 GF/Mental Health								
Other(PFD Hold Harmless)		178.0						
Other(Specify Type-do not abbreviate)								
<b>TOTAL</b>		<b>178.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

This legislation increases the 2008 Permanent Fund Dividend by \$500 in recognition of the recent increase in energy costs. The additional \$500 payment will be funded by transfers from the earnings reserve account to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program applicants.

Prepared by: Ellie Fitzjarrald, Director  
 Division Public Assistance  
 Approved by: Karleen Jackson, Commissioner  
 Agency Department of Health and Social Services

Phone 465-5847  
 Date/Time 03/03/2009  
 Date 03/03/2008

**STATE OF ALASKA  
2008 LEGISLATIVE SESSION****ANALYSIS CONTINUATION**

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as a result of counting the PFD as income or an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD-HH replacement benefits are limited to four months a year.

The department estimates an increment of \$178,000 in PFD HH will be needed in FY 09 to replace food stamp benefits that would otherwise be curtailed as a result of households receiving the extra \$500 in the PFD.

The department does not expect the \$500 increase in the 2008 PFD to affect the amount of PFD-Hold Harmless (PFD HH) expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$500. These appropriations are accounted for in the proposed FY 09 budget. The department also expects that the extra \$500 received by program participants will be spent on additional expenses such as increased energy costs.

**Assumptions:**

In FY 08 approximately 400 food stamp households received an additional month of food stamp PFD HH benefits compared to FY 07. This was the result of the 2007 PFD being higher than the 2006 PFD. In FY09, the department expects that the \$500 added to the 2008 PFD could have this same affect.

The average Food Stamp Hold Harmless payment is \$445/month.  
 $400 \text{ households} \times \$445 = \$178,000$

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 396  
 ( ) Publish Date: 2/19/2008

Identifier (file name): HB396-REV-APFC-03-03-08 Dept. Affected: Revenue  
 Title: Increase 2008 Perm. Fund Dividend RDU: Alaska Permanent Fund Corp  
 Component: Alaska Permanent Fund Corp  
 Sponsor: Representative Thomas  
 Requester: House State Affairs Committee Component Number: 109

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>								
-------------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

HB 396 would require a transfer of approximately \$300 million to the Dividend Fund in September of 2008 in order to pay an additional \$500 to each dividend recipient. This transfer would be subsequent to the regular dividend transfer, which usually occurs in July. APFC would not expect to incur any costs for this liquidation and transfer.

Prepared by: Michael Burns, Executive Director/CEO  
 Division: Alaska Permanent Fund Corporation  
 Approved by: \_\_\_\_\_

Phone 907-796-1520  
 Date/Time 3/3/08 12:00 AM  
 Date \_\_\_\_\_

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB396  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): HB396-DOR-PFD-3-3-08 Dept. Affected: 04 Revenue  
Title: INCREASE 2008 PERM. FUND DIVIDEND RDU: Tax and Treasury  
Component: Permanent Fund Dividend Division  
Sponsor: Representative Thomas  
Requester: House State Affairs Component Number: 981

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>OPERATING EXPENDITURES</b>							
Personnel Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	305,000.0						
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>305,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
-----------------------------	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>							
-------------------------------	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
PFD Dividend	305,000.0						
<b>TOTAL</b>	<b>305,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

Increasing the amount of the 2008 Permanent Fund Dividend does not have a significant operational impact on the PFD division.

Estimating that 610,000 qualified Alaskans will apply for a 2008 dividend, it will require a \$305 million appropriation to increase the amount of the dividend payments by \_\_\_\_\_.

Prepared by: Debbie Richter  
Division: Permanent Fund Dividend Division  
Approved by: Jerry Burnett  
Department of Revenue

Phone: 465-4785  
Date/Time: 3/3/08 12:00 AM  
Date: 3/3/2008

**Nancy Manly**

---

**From:** Nancy Manly  
**Sent:** Tuesday, March 11, 2008 10:00 AM  
**To:** Londi Ensor  
**Subject:** House State Affairs Fiscal Notes - HB 396

**Attachments:** HB396-DHSS-PFDH-03-03-08.pdf; HB396-DOR-PFD-3-3-08.pdf; HB396-REV-APFC-03-03-08.pdf



HB396-DHSS-PFDH HB396-DOR-PFD-3- HB396-REV-APFC-0  
H-03-03-08.pdf ... 3-08.pdf (18 K... 3-03-08.pdf (1...

Londi: Here are the electronic fiscal notes for HB 396

Nancy Manly, Chief of Staff and  
House State Affairs Committee Aide *for*  
**Representative Bob Lynn**  
**House District 31**  
907-465-2794 Fax: 907-465-4316

Yahoo! My Yahoo! Mail



Welcome, pauldkendall  
[Sign Out, My Account]

Search the Web  Search

Mail Home - Mail Tutorials - Help

*I need a degree in:*

- Accounting
- Business
- Education
- Engineering
- Health
- Technology

Mail | Addresses | Calendar | Notepad | What's New - Mail Upgrades - Mail Options

Check Mail | Compose | Search Mail | Search the Web

Secured MasterCard to establish credit

- Folders [Add - Edit]
- Inbox (1)
  - Draft
  - Sent
  - Bulk (21) [Empty]
  - Trash [Empty]

What's your Credit Score? See it FREE!

Get unlimited calls to U.S./Canada

Alert! \$200K loan for \$331/month!

*ALL RESIDENTIAL*  
*Single Family*  
*Paul Kendall*  
*HOMES*  
*FAMILIES*

Previous | Next | Back to Messages | Printable View - Full Headers

Delete | Reply | Forward | Spam | Move...

This message is not flagged. [ Flag Message - Mark as Unread ]

Date: Wed, 27 Apr 2005 14:50:31 -0600

From: "Rebecca Picaso" <Rebecca.Picaso@state.co.us> Add to Address Book

Subject: Units in Structure Table

To: pauldkendall@yahoo.com

Here is the table that you requested. If you have any questions, please feel free to give me a call.

**H30. UNITS IN STRUCTURE [11] - Universe: Housing units**  
**Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data**

	Crowley	Fremont	Otero	Pueblo
<b>Total:</b>	<b>1,542</b>	<b>17,146</b>	<b>8,813</b>	<b>58,921</b>
1, detached	1,187	11,585	6,928	43,038
1, attached	26	556	418	3,577
3 or 4	30	461	145	2,228
5 to 9	26	295	225	1,358
10 to 19	0	229	132	1,078
20 to 49	2	185	227	1,258
50 or more	0	260	42	1,968
Mobile home	263	3,467	696	4,368
Boat, RV, van, etc	8	107	0	68

- Rebecca Picaso (rebecca.picaso@state.co.us)  
 Colorado Demography Office  
 (303) 866-3120, fax (303) 866-2660

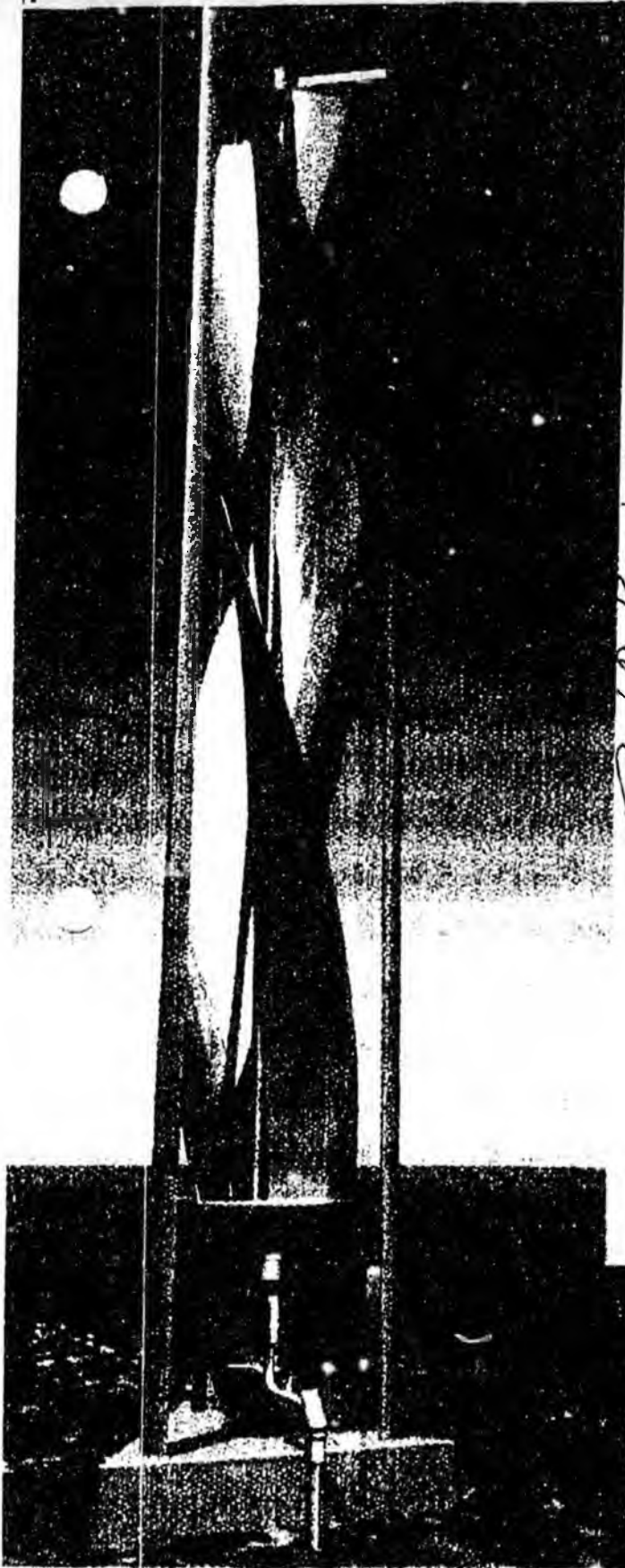
6-26-04

6-26-04

FREE ENERGY

# Vertical Windmills

?  
VIA BLE?



Paul D. Kendall

**T**HE newest idea for harvesting the wind is nearly 900 years old. Vertical windmills, like the Wind Tower (left) from Windaus Turbines of Ontario, can crank out 50 percent more power than conventional, horizontal-mounted designs. Windaus says this is because the blades catch the wind regardless of the direction from which it blows. Although remains of foundations for vertical windmills dating to 1150 have been found in France, it is only with the advent of lightweight composites that the design has become

practical. Windaus believes the inherently quiet operation of vertical turbines will also spur wider interest in wind power.

IT'S A BREEZE:  
A 100-ft. model generates 5000 kw/hour in 12-mph wind.

Why NOT A WIND RESEARCH AREA? INSTALLED PROTOTYPES?

NATIONAL GEOGRAPHIC

8/1/05  
PAUL KENDALL

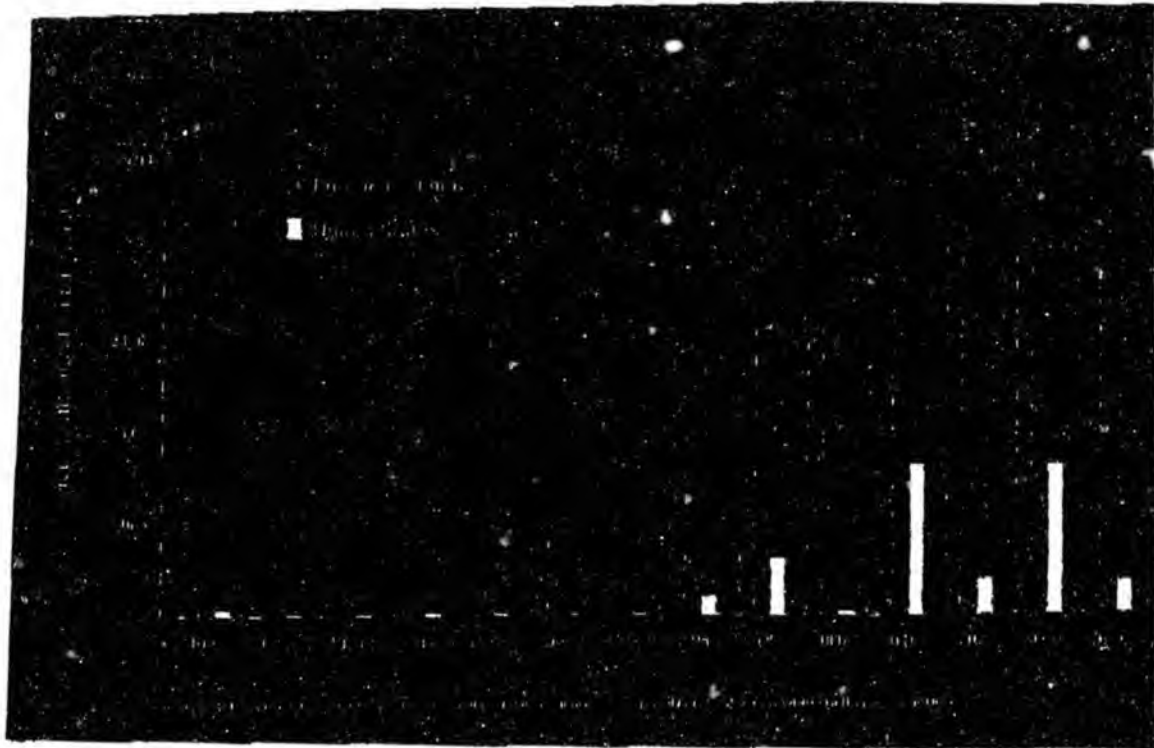
AUGUST, 2005

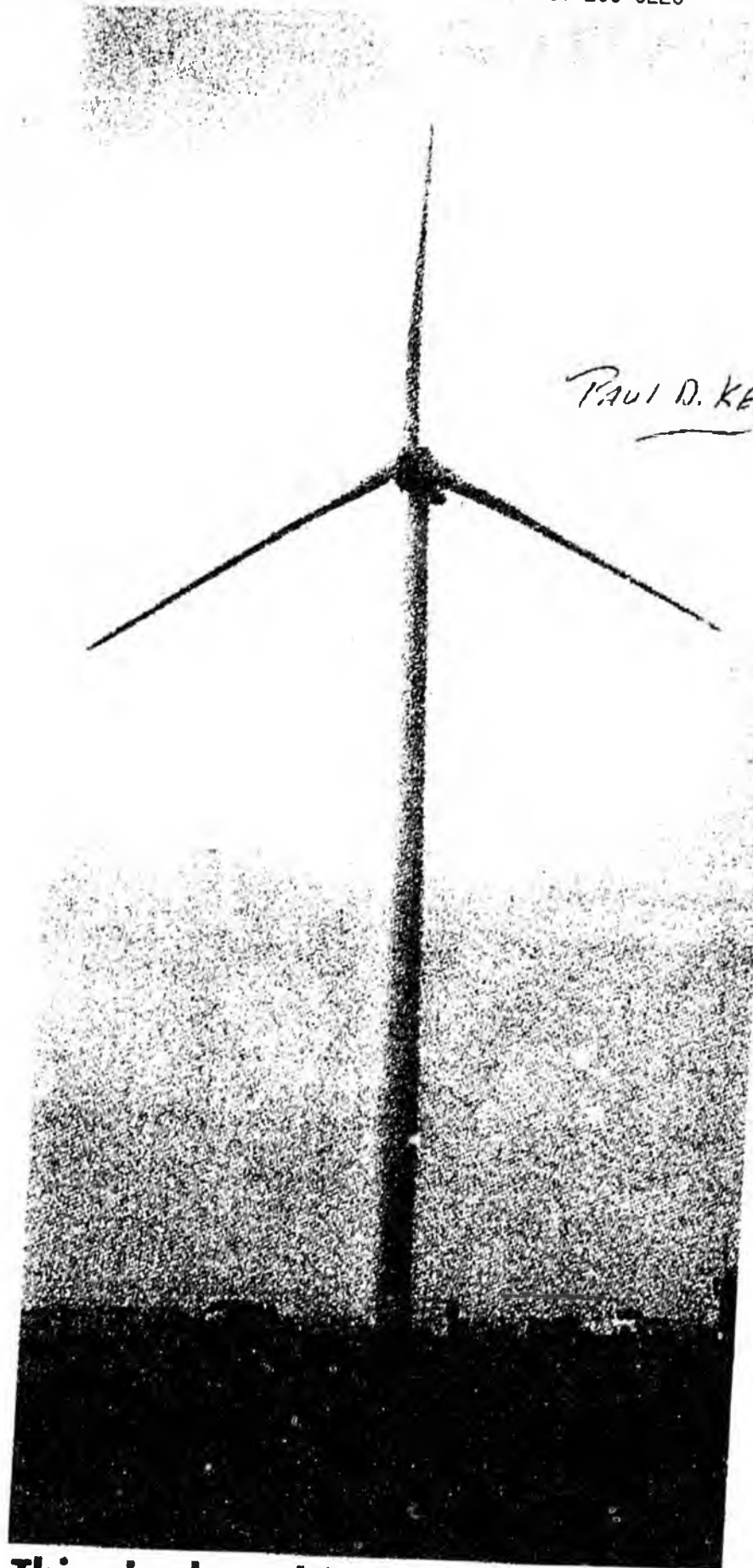
ENERGY ARTICLE PAGES

GIANT 5 MEGAWATT WIND TURBINE  
5,000 HOMES

Fifteen tons of fiberglass and carbon fiber went into a 200-foot blade built in Denmark for a turbine 600 feet tall. The five-megawatt titan a prototype for turbines to be erected off the coast of Germany, will average enough power for 5,000 homes. The turbine embodies the European Union's enthusiasm—and generous

support—for alternative energy. The United States lags far behind in new wind-power capacity each year (chart, right). Energy policy expert Dan Kammen compares the U.S. to a hunter-gatherer, constantly scouting for new fossil fuel sources when "we should probably be more like farmers. Energy farming is the future."





*PAUL D. KENDALL*

**This single turbine sometimes provides electricity for an entire community.** Photo courtesy of the town of Springfield, <sup>Colorado</sup>

# BP and Rio Tinto unite to develop clean energy projects

**VENTURE** Company initially will look into hydrogen-fueled power.

The Associated Press

LONDON — Oil producer BP and miner Rio Tinto will be working together to develop clean power projects around the world, the companies said Thursday.

The joint venture will initially focus on hydrogen-fueled power generation, using fossil fuels and carbon capture and storage technology to produce new large-scale supplies of clean electricity.

Projects such as these have the potential to help deliver the carbon-emission reductions which companies and countries around the world are now seeking,

said BP Chief Executive Tony Hayward.

BP said that previously announced hydrogen-fueled power projects in Peterhead, Scotland, and Carson, Calif., will be-

come part of Hydrogen Energy. Rio Tinto will make a cash payment to BP of about \$12 million, subject to post-completion adjustments.

The new company will be

based in Weybridge in southeast England and will initially have a staff of 75 transferred from the parent companies.

Lewis Gillies, formerly head of BP's hydrogen power busi-

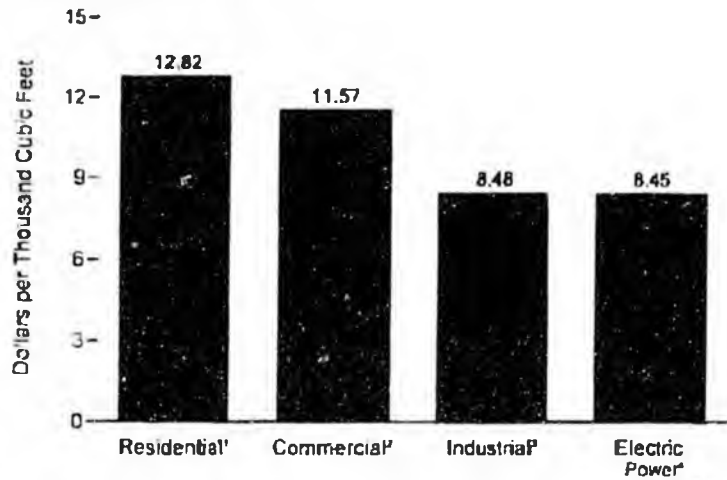
ness, will be chief executive of Hydrogen Energy and Peter Cunningham, formerly head of business evaluation for Rio Tinto, will become chief financial officer.

*Paul D. Kendall*

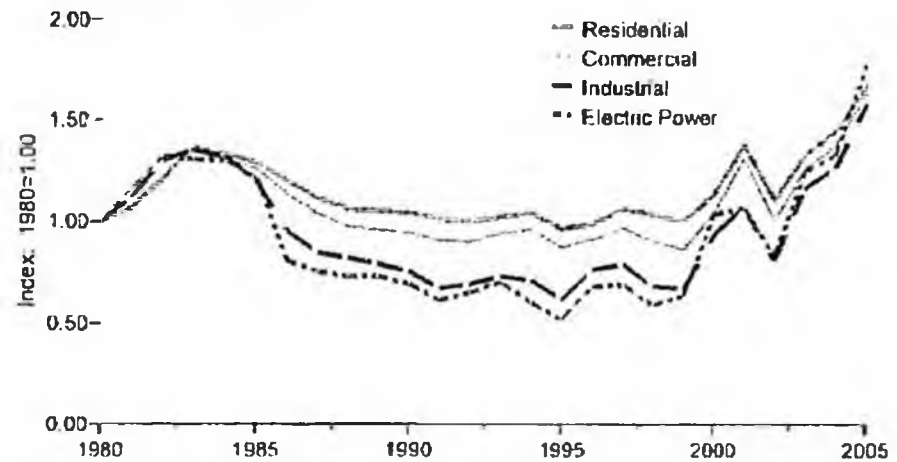
Hydrogen FUEL Power! ?

Figure 6.8 Natural Gas Prices by Sector

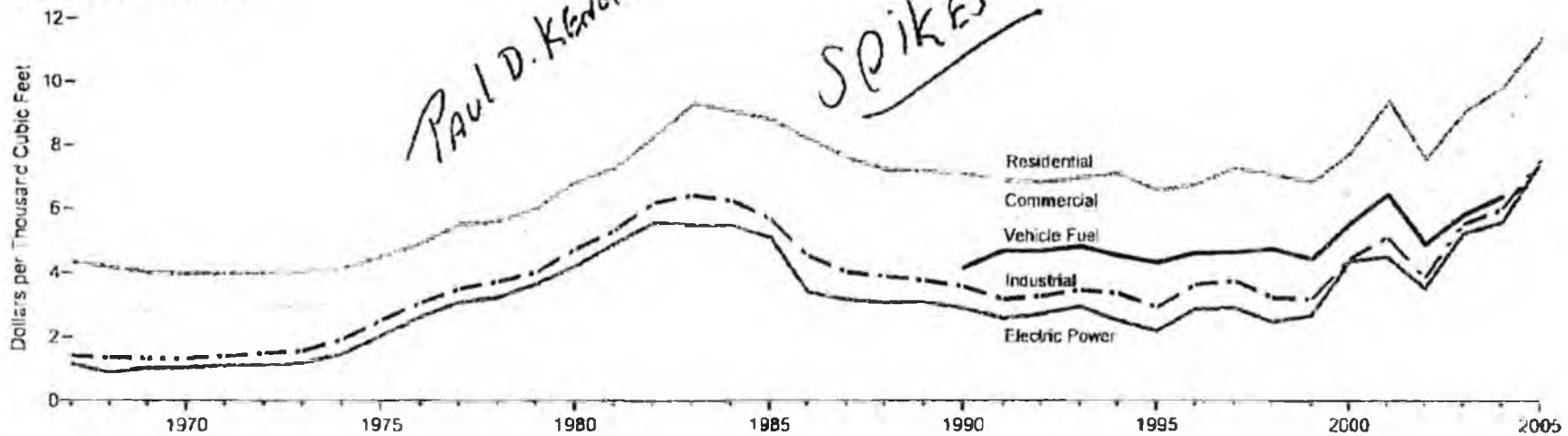
Nominal Prices, 2005



Real Prices<sup>5</sup>, Indexed, 1980-2005



Real Prices<sup>5</sup>, 1967-2005



<sup>1</sup> Based on 97.6 percent of volume delivered.

<sup>2</sup> Based on 80.5 percent of volume delivered.

<sup>3</sup> Based on 73.6 percent of volume delivered.

<sup>4</sup> Based on 89.1 percent of volume delivered.

<sup>5</sup> In chained (2000) dollars, calculated by using gross domestic product implicit price deflators. See Table D1.

Source: Table 6.8.

Hydrogen !?

ASB THURSDAY, OCTOBER 20, 2005

THE WALL STREET JOURNAL

# Switch on to lower carbon emissions.

NOW ADVERTISED  
ON TV!

MOST LIKELY THIS IS  
DARK HYDROGEN FROM  
PIPED GAS - NOT  
GREEN HYDROGEN !??

Cleaner ~~power stations~~ are vital to meet demand for energy and help meet Kyoto targets. We are leading plans to develop a power station in Scotland that will run on hydrogen. This will produce electricity with 90% lower carbon emissions for 250,000 homes.

WHY

PAUL D. KENDALL  
10/20/05  
WALL STREET JOURNAL

WHY NOT IN AMERICA ?

WHY NOT IN  
ALASKA ??

SEE NATIONAL GEOGRAPHIC  
WIND DEV. STORY - FARMING WIND!  
AUGUST 2005  
WORLD'S LARGEST WIND TURBINES!

VOLKSWAGEN AND CHINA MOTOR HAVE ANNOUNCED  
THEIR PARTNERSHIP IN DEVELOPMENT OF HYBRID BY 2007.  
THEY ARE SERIOUS PLAYERS IN ELEC, FUEL CELL, & HYDROGEN!



beyond petroleum®

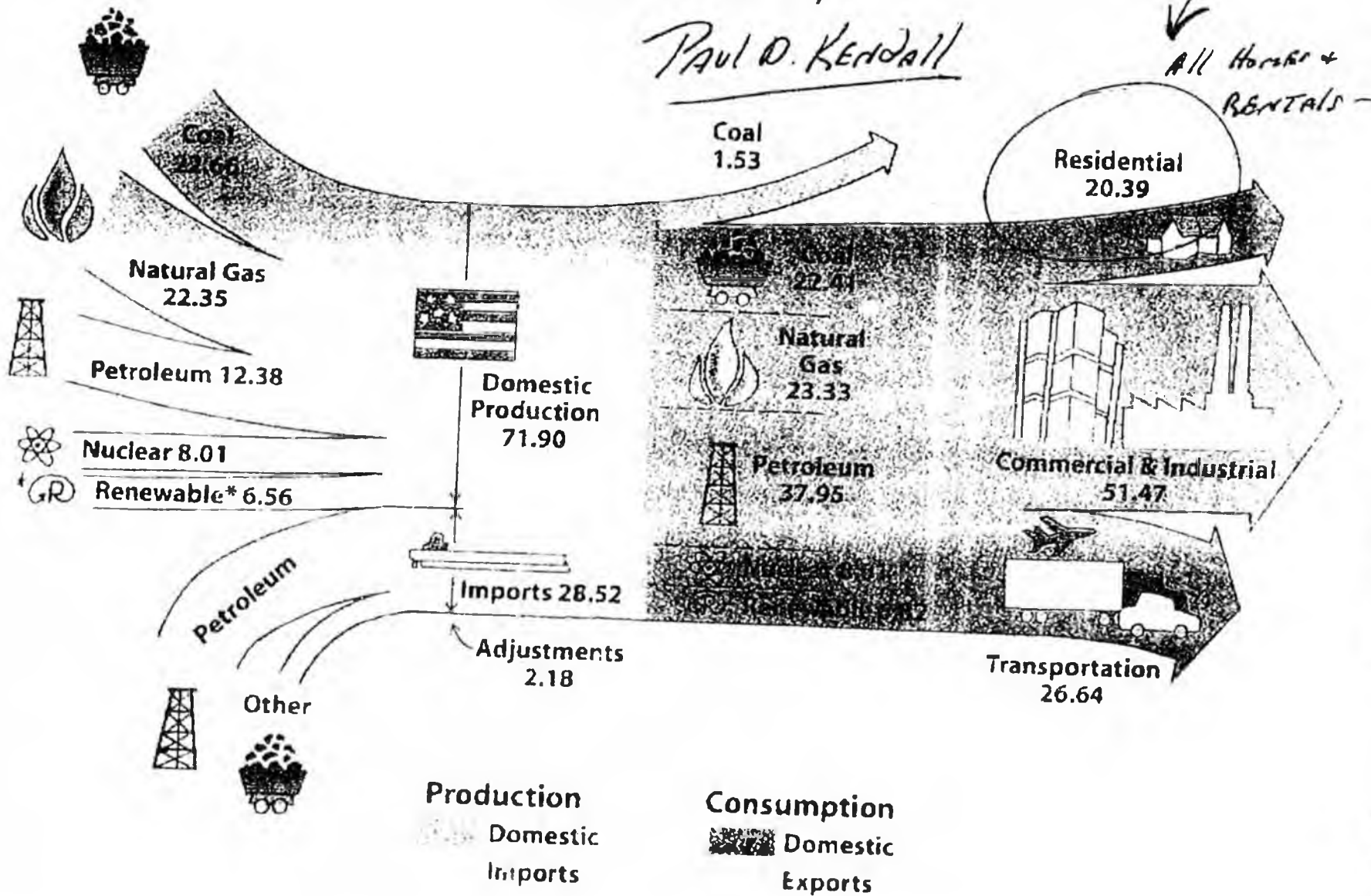
© 2005 BP PLC

bp.com

POPULAR SCIENCE "HOME OF FUTURES"  
2004 - JULY - PG 21  
FUEL CELL - ALL ELEC & HYDROGEN  
HOME

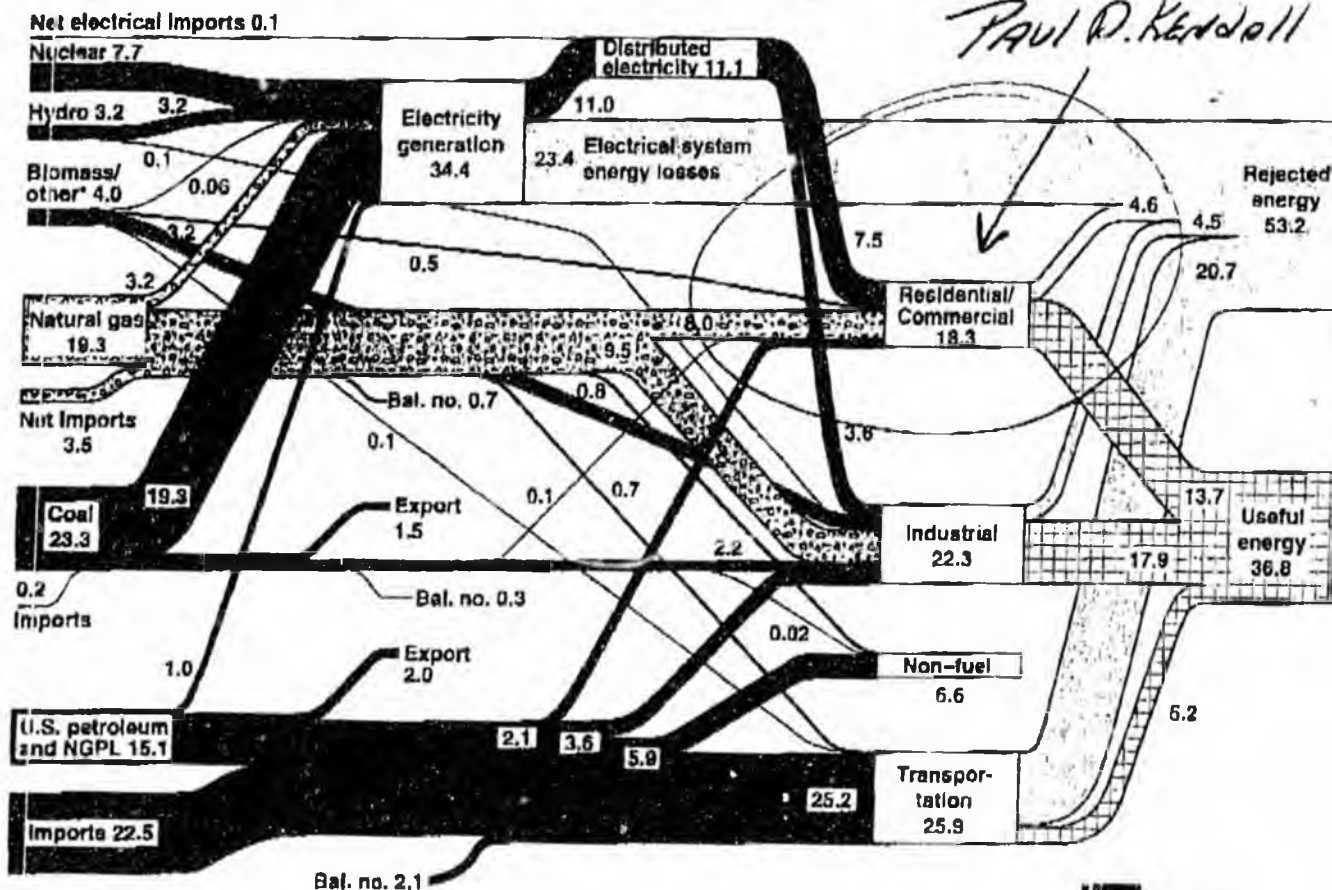
# U.S. Energy Flow, 2000 (Quadrillion Btu)

*Paul D. Kendall*



U.S. Energy Breakdown

Net Primary Resource Consumption 97 Quads



Source: Production and end-use data from Energy Information Administration, *Annual Energy Review 1999*  
 \*Biomass/other includes wood and waste, geothermal, solar, and wind.

March 2001  
 Lawrence Livermore  
 National Laboratory

**Excreta**

Our economy is not, metabolically speaking, a thrifty creature. About 55 percent of the energy that flows into the economy is ejected as *T. Rex* dung. This waste carries with it a huge pollution and climate burden.

Vice President Cheney said that "conservation may be a sign of personal virtue, but it is not a sufficient basis for a rational energy plan." Despite this belief, it is obvious that *T. Rex Amencus* must become more efficient if it wishes to continue growing. As Amory Lovins and others have noted, more efficient appliances, lightbulbs, or cars that save one unit of energy on the right side of the chart, avoid the need to pump in three or four or five additional units of energy on the left.

**Looking Ahead**

Energy systems change slowly. History shows that none of the existing energy flows or prime movers will cede its position without a fight. If fuel cells aim to displace internal combustion engines, they will have to battle for market share. Likewise for hydrogen, which today does not appear on the chart.

In the long run, of course, renewable energy is destined to supply a bigger share of the load. But despite the depletion problems that face both oil and natural gas, fossil fuels will remain dominant for decades to come. Of course, that's at a national level. At a household level, anyone can begin to embrace energy efficiency and wind, solar, or geothermal energy. And tens of thousands of families have begun to do just that.

**Access**

Randy Udall, Community Office for Resource Efficiency (CORE), PO Box 9707, Aspen, CO 81612  
 970-544-9808 • Fax: 970-544-9599 • [rudall@aol.com](mailto:rudall@aol.com)  
[www.altenergy.org/core](http://www.altenergy.org/core)

Credit for the energy flow chart is given to the University of California, Lawrence Livermore National Laboratory, and the Department of Energy, under whose auspices the work was performed. This and charts for previous years are available at <http://en-erw.llnl.gov/flow>. A chart for the year 2000 will be available sometime in 2002.





# Alaska State Legislature

Please enter into the record my testimony to the House Comm of Aff  
 committee name  
 committee on HR 396, dated 3/11/08  
 bill/subject

Signed: *Paul D. Kendall*  
 Testifier  
 \_\_\_\_\_  
 Representing (Optional)  
 \_\_\_\_\_  
 Address 222-7882  
 \_\_\_\_\_  
 Phone No. \_\_\_\_\_

Yahoo! My Yahoo! Mail Favorites More

Make Y! your homepage, pauldkendall Sign Out All-New Mail Help



Search:  Web Search

classmates.com

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID	IL	IN
KY	LA	ME	MD	MA	MI	MN	MS	MO	MT	NE	NV	NH	NJ	NM
ND	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA	WV

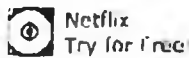
Mall | Contacts | Calendar | Notepad | Mail For Mobile - Mail Upgrades - Options

Check Mail

Compose

Search Mail

Search the Web



Previous | Next | Back to Messages

Delete

Reply

Forward

Spam

Move...

Folders [Add - Edit]

Inbox (419)

Draft

Sent

Bulk (440) [Empty]

Trash [Empty]

My Folders [Hide]

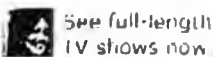
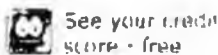
houses

housing data

Search Shortcuts

My Photos

My Attachments



This message is not flagged. [ Flag Message - Mark as Unread ] Printable View

Date: Tue, 4 Mar 2008 13:49:49 -0800 (PST)

From: "PAUL KENDALL" <pauldkendall@yahoo.com> Add Mobile Alert  
Yahoo! DomainKeys has confirmed that this message was sent by yahoo.com. Learn more

Subject: SISISINA DAM -- need to furnish energy for our single family homes is top priority with air and water

To:

Rep john\_harris@legis.state.ak.us, "rep\_ralph\_samuels@legis.state.ak.us" <rep\_ralph\_samuels@legis.state.ak.us>, "wasilla" <rep\_bill\_stoltze@legis.state.ak.us>, "rep\_bob\_lynn@legis.state.ak.us" <rep\_bob\_lynn@legis.state.ak.us>, "rep\_david\_guttenburg@legis.state.ak.us" <rep\_david\_guttenburg@legis.state.ak.us>, "rep\_john\_coghill@legis.state.ak.us" <rep\_john\_coghill@legis.state.ak.us>, "rep\_les\_garra@legis.state.ak.us" <rep\_les\_garra@legis.state.ak.us>, "rep\_mike\_hawker@legis.state.ak.us" <rep\_mike\_hawker@legis.state.ak.us>, "rep\_sharon\_Cissna@legis.state.ak.us" <rep\_sharon\_Cissna@legis.state.ak.us>, "representative\_carl\_gatto@legis.state.ak.us" <representative\_carl\_gatto@legis.state.ak.us>, "representative\_craig\_johnson@legis.state.ak.us" <representative\_craig\_johnson@legis.state.ak.us>, "representative\_john\_harris@legis.state.ak.us" <representative\_john\_harris@legis.state.ak.us>, "representative\_kevin\_meyer@legis.state.ak.us" <representative\_kevin\_meyer@legis.state.ak.us>, "representative\_les\_gara@legis.state.ak.us" <representative\_les\_gara@legis.state.ak.us>, "representative\_lindsey\_holmes@legis.state.ak.us" <representative\_lindsey\_holmes@legis.state.ak.us>, "representative\_max\_gruenberg@legis.state.ak.us" <representative\_max\_gruenberg@legis.state.ak.us>, "Representative\_mike\_chenault@legis.state.ak.us" <Representative\_mike\_chenault@legis.state.ak.us>, "representative\_mike\_doogan@legis.state.ak.us" <representative\_mike\_doogan@legis.state.ak.us>, "rep\_Mark\_Neuman@legis.state.ak.us" <rep\_Mark\_Neuman@legis.state.ak.us>, "rep\_peggy\_wilson@legis.state.ak.us" <rep\_peggy\_wilson@legis.state.ak.us>, "senator\_con\_bunde@legis.state.ak.us"

<senator\_won\_bunde@legis.state.ak.us>  
 "senator\_fred\_dyson@legis.state.ak.us"  
 <senator\_fred\_dyson@legis.state.ak.us>  
 "senator\_bill\_wielechowski@legis.state.ak.us"  
 <senator\_bill\_wielechowski@legis.state.ak.us>  
 "senator\_gary\_stevens@legis.state.ak.us"  
 <senator\_gary\_stevens@legis.state.ak.us>  
 "senator\_gary\_wilken@legis.state.ak.us"  
 <senator\_gary\_wilken@legis.state.ak.us>  
 "senator\_gene\_therrault@legis.state.ak.us"  
 <senator\_gene\_therrault@legis.state.ak.us>  
 "senator\_hollis\_french@legis.state.ak.us"  
 <senator\_hollis\_french@legis.state.ak.us>  
 "senator\_johnny\_ellis@legis.state.ak.us"  
 <senator\_johnny\_ellis@legis.state.ak.us>  
 "senator\_kim\_elton@legis.state.ak.us"  
 <senator\_kim\_elton@legis.state.ak.us>  
 "senator\_lyda\_green@legis.state.ak.us"  
 <senator\_lyda\_green@legis.state.ak.us>  
 "senator\_thomas\_wagoner@legis.state.ak.us"  
 <senator\_thomas\_wagoner@legis.state.ak.us>  
 "senator\_charlie\_huggins@legis.state.ak.us"  
 <senator\_charlie\_huggins@legis.state.ak.us>

CC: pauldkendall@yahoo.com

To: state legislature and the Governor  
 Ref: State Surplus, Money, Priorities for our leaders  
 From: Paul D. Kendall  
 Ladies and Gentlemen,

*EST. 604,149 P/Fund - 2007*  
*X500*  
*3,020,745.00 \$ YEAR #1*  
*300 million Dollars P/YEAR #1*  
*150,000 HOMES*

Clean Air  
 Clean Water  
 Clean Energy

Single Family Home Ownership  
 Rental Units

and the ability to communicate with each other as a collective society

OOOOOOOO

THESE ARE YOUR PRIORITIES...FROM THESE ALL SOCIETIES ARE  
 FOUNDED!  
 ALL THINGS ORIGINATE FROM THE SINGLE FAMILY HOME OWNERSHIP  
 ( and rental units )

IN ORDER TO HAVE SINGLE FAMILY HOME OWNERSHIP YOU HAVE TO  
 HAVE  
 CLEAN AIR — 3 to 5 minutes you die without  
 CLEAN WATER — 3 to 5 days you die without  
 CLEAN ENERGY — you have no means of forming a viable society, home, or  
 other basic need and you die within a few hours depending on the weather.

The single family home ownership is under assault by energy and tax schemes.  
 The reason this assault on the very foundation of our societies is being  
 accommodated is because you, our leaders are not managing and prioritising  
 our life essential necessities as you should be doing...

You must construct in public a vision and a formula for our state of Alaska  
 society...!

Yahoo! Mail - pauldkendall@yahoo.com

If you do not realize that all, roads, schools, bridges, religions, commerce, bureaucracies, free enterprise, taxes, infrastructure, ideas, services, sexual identities, values, role models, work habits, community, etc... comes from the above "life essential needs", then we are truly in trouble....

Those things we all share in together for a need to survive, we owe to each other! Those things are not to be abused or used in excess, but they are to be realised as being of different status as to those things Commercial, Institutional, Industrial, and Military.....

You have to invest, develop, and define Clean Air, Clean Water, Clean Energy and ( a state owned state wide communications video network) in relationship to Residential Single Family Home Ownership and ( rental units )..

Most monetary systems are a constructed and contrived value system which is subject to failure of original and true value... hence, it is imperative you move monetary revenues to tangible items which give foundation and abundance to "life essential needs as priorities "!

Stock Markets,,,vs.  
Dams, Wind Farms, Solar, Hydrogen Gas, Mini Hydro,

If you publicly define the vision, priorities and investments by means of true and actual cost impact formulas, you will insulate Alaska for many years to come from most any unexpected climatic, energy, economic, or social upheavelll

WATER, WATER, WATER, (all hydrogen compounds)  
ENERGY, ENERGY, ENERGY, ( all hydrogen based )  
HOME OWNERSHIP, HOME OWNERSHIP, HOME OWNERSHIP,

LADIES AND GENTLEMEN,,,  
HOW CAN YOU POSSIBLY FUND ANY PROGRAM, ANY PROGRAM,  
WITHOUT SECURING OUR LIFE ESSENTIAL NEEDS ?

A formula for reasonable and stable amounts and minimal cost ENERGY FOR OUR HOMES AND FAMILIES!

Thank You, Paul D. Kendall

907-222-7882

Looking for last minute shopping deals? Find them fast with [Yahoo! Search](#).

[Previous](#) | [Next](#) | [Back to Messages](#)

[Save Message Text](#) | [Full Headers](#)







Page | 4

YES, IT IS WHAT IT IS; AND WHAT YOU SEE --- IT JUST KEEPS ON GIVING BACK ; BACK TO US ALL AS AN INDIVIDUAL, A FAMILY, A HOME, A COMMUNITY AND A STATE ; OVER AND OVER IN MANY, MANY,, TOO MANY WAYS TO MENTION HERE.

Thank You, Paul D. Kendall

Msg. 907-222-7882

E-Mail [pauldkendall@yahoo.com](mailto:pauldkendall@yahoo.com)

PS,

Please, inform me If the above comment is unclear in any way to you or your staff, so that I might be a better or more well understood communicator to you in trying to explain the importance to us in determining "the priority of allocations of obligations we all have to each other " in developing, defining, and maintaining our "Life Essential Needs for our Residential or Single Family Homes Ownership and Rental Dwellings" which are the foundations of all societies.

Clean Air, Clean Water, Clean Energy = Dwellings Owned and Rented = = = It is from these which all else in a viable society is originated or constructed! pdk.

Please see my e-mail to the Gov. and Leg. dated "Tue, 3-4-08 for HB 336 - aea study on SUSITNA DAM energy" sent to the committee and some follow up misc. faxed and packet sent information.

If someone tells you that constructing or building, securing and maintaining our own LIFE ESSENTIAL ENERGY GENERATION, TRANSMISSION, AND DISTRIBUTION INFRASTRUCTURE FOR OUR FAMILIES AND LOVED ONES IS TOO EXPENSIVE, then ask them to imagine waking up tomorrow morning and try to drink, eat, or burn money for light, heat and cooking in order to live....MONEY is a constructed imaginary value system.

It means nothing in the need to stay alive moment to moment in the real world..It is what you do with the imaginary value of money in moving that momentary assigned value to a tangible and tactile endeavor, creation or construction project which lives and contributes in the real world of the struggle to live or die on a moment to moment basis....

Note 1: it should be noted that those who live in remote areas do have to be accountable for the additional expense of the delivery of the energy to "their area of isolation by choice" ....

Page | 5

Note 2, :

In my opinion, Traditionally and Historically speaking, "The fossil fuel distribution network system and associates" have on a somewhat routine basis raised the prices of most fossil energies quickly, spiking in huge profits, at the same time professing to develop whole new fields of abundant oil and gas potentials like " Oil Shale Deposits in Grandjunction, CO., which draws up and diverts most research dollars from entrepreneurial markets for new energy designs, and at the same time spiking nearly all sectors and basic materials cost involved in manufacturing and producing renewable energy products ---

-Wind turbines are now on a backlog status and increasing in per megawatt cost—copper is more expensive—steel is up---all transportation is up—and on and on....

By the time the surge in price increases in fossil fuels and profits have reached public tipping points, and the public realizes it can no longer sustain these volatilities and turns its attention to alternative technologies for many new energies, most all of basic raw material for production and manufacturing of the renewable energy products are so high they cannot compete

WELL, ladies and gentlemen, it is my opinion that this time ( I think the 2<sup>nd</sup> or 3<sup>rd</sup> time now) they have "oopsed it!" If ya know what I mean? They got to close and pushed too hard and they have breached the dike, dropped the glass, let the genie out of the bottle,

This time the whole world is looking at a whole cast of characters of energy production, generation, and ownership

Alaska, in my judgment is in a rather unique place in all of this intersecting of realizations about energy and our priorities of ownership, use and costs....

Alaska must prepare for a worst case scenario... just what is that case? We need the discussion and we need it now! The entire state should watch and participate in this reflection of directions...before we lose any unexpected permanent fund investments or expected future oil and gas revenues...

Time is of the essence – I think Alaska has reached a kind of cross roads....

Today it is the tar sands in Canada, Alaskan Oil and Gas Fields, Gulf of Mexico, and others; And if history repeats their formula of the past –some if not all of these projects will go by the wayside and not be developed. This is a much, much bigger discussion!

I will look in some of my old papers tonight; I seem to recall that BP is designing a Hydrogen fueled power plant in Iceland or somewhere . This is important for several reasons.....

Thanks again,,, Paul D. Kendall



# City of Kake

"HOME OF THE WORLD'S LARGEST TOTEM POLE"

P.O. BOX 500  
KAKE, AK 99830  
PHONE: (907) 785-3804  
FAX: (907) 785-4815

February 27, 2003

Representative Bill Thomas  
State Capitol, Room 434  
Juneau, Alaska 99801

Dear Representative Thomas:

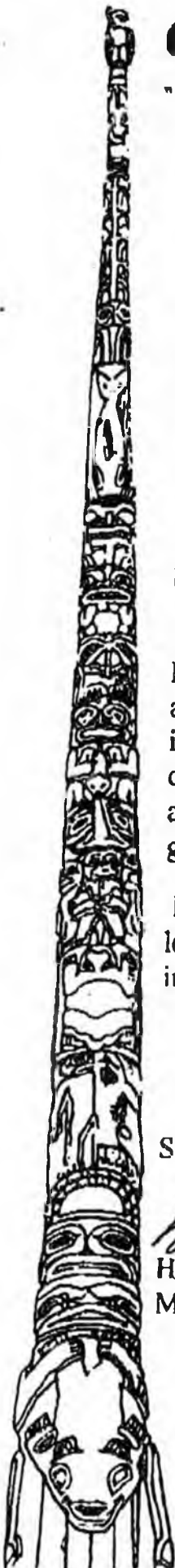
The City of Kake, Mayor and Council Members are in full support of the HB 396 PFD Disbursement. Job wise, our community has definitely suffered an impact with the loss of the timber industry, and the decline in the fishing industry and the cold storage not functioning for at least three years. This disbursement would be a huge benefit to our people as well as the people all around the State of Alaska with the high cost of electricity, fuel and groceries.

In closing, the City of Kake would like to express their gratitude with the level of support we've received from your office, and all the effort you make in assisting rural areas.

Sincerely,



Henrich Kadake, Sr.  
Mayor





## REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: [Representative.Bill.Thomas@legis.state.ak.us](mailto:Representative.Bill.Thomas@legis.state.ak.us)

webpage: [www.akrepublicans.org/thomas/](http://www.akrepublicans.org/thomas/)

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

FAX 907-465-2652

### MEMORANDUM

DATE: February 27, 2008

TO: Representative Lynn, House State Affairs Committee Chair

FROM: Representative Thomas

RE: HB 396 Increasing the Amount of the 2008 Permanent Fund Dividend

---

Please schedule HB 396 for a hearing in the House State Affairs Committee as soon as possible. HB 396 increases the amount of the 2008 permanent fund dividend by \$500. This is to help all Alaskans deal with the increases in energy costs.

If you have any questions please contact my staff, Kaci Schroeder Hotch, at 465-3732. Thank you.

**HB**

**402**

**Alaska State Legislature  
House of Representatives**



**Representative Max F. Gruenberg, Jr.  
House District 20**

**Anchorage (Mountain View, Russian Jack, East Anchorage)  
House Minority Assistant Floor Leader**

*Interim*  
716 W 4<sup>th</sup> Avenue, Rm 350  
Anchorage, Alaska 99501-2133  
Phone (907) 269-0123  
Fax (907) 269-0124

*Session:*  
Alaska State Capitol, Rm 110  
Juneau, Alaska 99801-1182  
Phone (907) 465-4940  
Toll Free (866) 465-4940  
Fax (907) 465-3766

*Email*  
rep max.gruenberg@legis.state.ak.us


*Member*

*Standing Committees:*  
Judiciary  
State Affairs

*House Special Committee:*  
Ways & Means

*Finance Subcommittees:*  
Administration  
Courts

TO: Representative Bob Lynn  
Chair, State Affairs

FROM: Representative Max F. Gruenberg, Jr. 

DATE: March 13, 2008

RE: HB402: Political Parties Definition/Elections

\*\*\*\*\*

Please consider this memorandum as a request for the House State Affairs Committee to schedule a hearing on HB 402. Accompanying this memo are the following documents:

- ▶ Sponsor Statement
- ▶ Sponsor Substitute for HB402 - 25-LS1506\E
- ▶ Sectional Analysis
- ▶ Legal Memorandum - Dated March 10, 2008

Many thanks.

*Member*

*Standing Committees:*  
Judiciary  
State Affairs

*House Special Committee:*  
Ways & Means

*Finance Subcommittees:*  
Administration  
Courts

# Alaska State Legislature

## House of Representatives



**Representative Max F. Gruenberg, Jr.**  
**House District 20**

**Anchorage (Mountain View, Russian Jack, East Anchorage)**  
**House Minority Assistant Floor Leader**

*Interim:*  
716 W 4<sup>th</sup> Avenue, Rm 350  
Anchorage, Alaska 99501-2133  
*Phone:* (907) 269-0123  
*Fax:* (907) 269-0124

*Session:*  
Alaska State Capitol, Rm 110  
Juneau, Alaska 99801-1182  
*Phone:* (907) 465-4940  
*Toll Free:* (866) 465-4940  
*Fax:* (907) 465-3766

*Email:*  
rep max.gruenberg@legis.state.ak.us

## **SPONSOR STATEMENT FOR HB402**

**By: Representative Max F. Gruenberg, Jr.**

**TITLE:** "An Act relating to elections; relating to the definition of 'political party'; and providing for an effective date."

This bill would allow for another language other than English to be put on the ballots.

It would also define "political party" to be an organized group of voters that represents a political program and has at least 2,500 registered voters.

It calls for an immediate effective date.

# Alaska State Legislature

## House of Representatives



**Representative Max F. Gruenberg, Jr.**

**House District 20**

**Anchorage (Mountain View, Russian Jack, East Anchorage)**

**House Minority Assistant Floor Leader**

*Member*

*Standing Committees:*

Judiciary  
State Affairs

*House Special Committee:*

Ways & Means

*Finance Subcommittees*

Administration  
Courts

*Interim:*

716 W 4<sup>th</sup> Avenue, Rm 350  
Anchorage, Alaska 99501-2133  
Phone: (907) 269-0123  
Fax: (907) 269-0124

*Session:*

Alaska State Capitol, Rm 110  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4940  
Toll Free: (866) 465-4940  
Fax: (907) 465-3766

*Email:*

rep.max.gruenberg@legis.state.ak.us

## SECTIONAL ANALYSIS FOR HB402

**By: Representative Max F. Gruenberg, Jr.**

**Section 1.** AS 15.15.032 is amended by adding a new subsection to read:

**ADDS:** (d) If the director provides for voting by use of electronically generated ballots, the director shall provide ballots in English, and may provide ballots in one or more languages other than English.

**Section. 2.** AS 15.60.010(25) is amended to read:

**ADDS:** has at least 2,500 voters in the state

**REMOVES:** [(A) THAT NOMINATED A CANDIDATE FOR GOVERNOR WHO RECEIVED AT LEAST THREE PERCENT OF THE TOTAL VOTES CAST FOR GOVERNOR AT THE PRECEDING GENERAL ELECTION OR HAS REGISTERED VOTERS IN THE STATE EQUAL IN NUMBER TO AT LEAST THREE PERCENT OF THE TOTAL VOTES CAST FOR GOVERNOR AT THE PRECEDING GENERAL ELECTION;

(B) IF THE OFFICE OF GOVERNOR WAS NOT ON THE BALLOT AT THE PRECEDING GENERAL ELECTION BUT THE OFFICE OF UNITED STATES SENATOR WAS ON THAT BALLOT, THAT NOMINATED A CANDIDATE FOR THREE PERCENT OF THE TOTAL VOTES CAST FOR UNITED STATES SENATOR AT THAT GENERAL ELECTION OR HAS REGISTERED VOTERS IN THE STATE EQUAL IN NUMBER TO AT LEAST THREE PERCENT OF THE TOTAL VOTES CAST FOR UNITED STATES SENATOR AT THAT GENERAL ELECTION; OR

(C) IF NEITHER THE OFFICE OF GOVERNOR NOR THE OFFICE OF UNITED STATES SENATOR WAS ON THE BALLOT AT THE PRECEDING GENERAL ELECTION, THAT NOMINATED A CANDIDATE FOR UNITED STATE REPRESENTATIVE WHO RECEIVED AT LEAST THREE PERCENT OF THE TOTAL VOTES CAST FOR UNITED STATES REPRESENTATIVE AT THAT GENERAL

ELECTION OR HAS REGISTERED VOTERS IN THE STATE EQUAL IN NUMBER TO AT LEAST THREE PERCENT OF THE TOTAL VOTES CAST FOR UNITED STATES REPRESENTATIVE AT THAT GENERAL ELECTION];

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 10, 2008

**SUBJECT:** Single-subject requirement (SSHB 402, Work Order No. 25-LS1506\E)

**TO:** Representative Max Gruenberg  
Attn: Deneen Tuck

**FROM:** Alpheus Bullard *ALB*  
Legislative Counsel

You have requested a bill that relates to the definition of "political party" and also contains a provision related to the use of electronically generated election ballots. Political parties and election ballots are arguably separate subjects and the bill may not satisfy Alaska's single-subject requirement.

### **The single-subject requirement**

Under art. II, sec. 13, Constitution of the State of Alaska, "[e]very bill shall be confined to one subject unless it is an appropriation bill or one codifying, revising, or rearranging existing laws." This provision of the Alaska Constitution is frequently referred to as the "single-subject requirement." Each bill may only contain provisions related to the bill's single subject.

The standard adopted by the Alaska Supreme Court in regard to the single-subject requirement states that an "act should embrace some one general subject; and by this is meant, merely, that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject." Gellert v. State, 522 P.2d 1120, 1123 (Alaska 1974). The Alaska Supreme Court has held that the purpose of this constitutional provision is to guard against legislative log-rolling, "the practice of 'deliberately inserting in one bill several dissimilar or incongruous subjects in order to secure the necessary support for passage of the measure.'" Evans v. State, 56 P.3d 1046, 1069, quoting Gellert, supra at 1122.

Alaska's single-subject rule has been interpreted by the Alaska Supreme Court to permit very broad subject matter in a bill without violating the single-subject requirement. In construing the single-subject rule, the court will "resolve doubts in favor of validity." Also, "in order to warrant the setting aside of enactments for failure to comply, the violation must be substantial and plain." Suber v. Alaska State Bond Committee, 414 P.2d 546, 557 (Alaska 1966); see also Evans and Gellert, supra and Short v. State, 600

Representative Max Gruenberg

March 10, 2008

Page 2

P.2d 20 (Alaska 1970). Specifically, the court has held that bills relating to such broad themes as "civil actions", "taxation", "transportation", and "land" are acceptable.<sup>1</sup> Evans, 56 P.3d at 1070; North Slope Borough v. Sohio Petroleum, 585 P.2d 534, 545 (Alaska 1978); Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173, 1181 (Alaska 1985); State v. First National Bank of Anchorage, 660 P.2d 406 (Alaska 1982).

If you have any questions, please do not hesitate to contact me.

TLAB:med

08-164.med

Enclosure

---

<sup>1</sup> The single-subject rule has been so broadly construed by the court, that the court itself has expressed misgivings. Yute Air Alaska, Inc., supra at 1180-1183; and First National Bank of Anchorage, supra at 414-415. However, without this broad construction, "statutes might be restricted unduly in scope and permissible subject matter, thereby multiplying and complicating the number of necessary enactments and their interrelationships." Gellert, supra at 1122, and quoted by Galbraith v. State, 693 P.2d 880, 886 (Alaska App. 1985). The court appears reluctant to impose a stricter standard. See Yute Air Alaska, Inc., supra at 1180-1181.

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 402  
 ( ) Publish Date: \_\_\_\_\_

Identifier (file name): HB402-OOG-DOE-3-19-08  
 Title: "An Act relating to elections, relating to the definition of political party'...."  
 Sponsor: Representative Gruenberg  
 Requester: House State Affairs  
 Dept. Affected: OOG  
 RDU: Elections  
 Component: Elections  
 Component Number: 21

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>								
-------------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

This proposed legislation will have no fiscal impact on the Division of Elections.

Prepared by: Linda Perez, Administrative Director  
 Division: Division of Administrative Services  
 Approved by: Gail Fenuniai, Director  
 Division: Division of Elections

Phone: 465-3876  
 Date/Time: 3/19/08 10:55 AM  
 Date: 3/19/2008

**Nancy Manly**

---

**From:** Deneen Tuck  
**Sent:** Wednesday, March 19, 2008 4:56 PM  
**To:** Nancy Manly  
**Subject:** HB402

Nancy,

I just gave **Richard Winger** the 1-888-295-4546 phone number to testify on HB402, Thursday, March 27<sup>th</sup>. He lives in California.

The others I have asked to go to the Anchorage LJO and if they invite anyone to testify about this bill that they should also go to a local LJO for testimony. So far, as far as I am aware we will have possibly, **Jim Sykes** from Anchorage, **Scott Kolhause**, also from Anchorage, (the one who is traveling) for witnesses. I will not have Scott call in on the 1-888 number unless he is travelling outside. **Lynette Clark**, from Fairbanks and the Chair of the Alaska Independent Party, may also be on line for testimony. She called today, but I did not talk to her. She wanted to talk to Max and I just took the message. If I know of anyone else who is going to testify, I will let you know.

Is this a good way to let you know on witnesses? If not, let me know what I need to do.

Thank you so very much for all your help. You are amazing.

Deneen Tuck  
Administrative Assistant/Chief of Staff  
Representative Max Gruenberg  
907-465-4941 phone  
907-465-3740 fax  
1-866-465-9000 Toll Free

**Nancy Manly**

---

**From:** housemajority\_email@housemajority.org  
**Sent:** Wednesday, March 19, 2008 4:26 PM  
**To:** Rep. Bob Lynn  
**Subject:** Email to Rep. Lynn

From: lclark@akip.org

To the Chair and Membership of the House State Affairs Committee regarding HB402, re: An act relating to...political parties.

I spoke with Rep. Coghill's office to relay my absolute opposition to HB 402's passage and the amendments contained therein. There's always talk about "special interests" in Juneau, and this bill is a prime example of just that.

The special interest in this case is one National, and one International, Political Party. I stand firmly opposed to any furtherence of their influence in Alaska for many reasons. Jim Skyes wrote me for my support of this Bill, and Libertarian leadership contacted me for the same. Mr. Skyes complains in his argument that it is difficult to get voers to register in a Political Party, and the "bar", so to speak, should be lowered. My response to them is do the work necessary to comply with what is required in AS 15.60.010 as it stands, instead of asking for some special changes or amendments.

Please, I ask you to deny this request for lowering the standards with these amendments. In the landmark law suit, Vogler v Miller 1982, the AIP and other third party Candidates and Partys', through the present Alaska Statute were given the standards and requirements to become a recognized political party in Alaska. What the Statues require is fair, just and equitable. I would like the State Affairs Committee to have this bill die in committee. I would suggest the two complaining Parties do as the Alaskan Independence Patry has done, that is work, get voters to register with their Party. As a member of AIP, I witnessed the loss of membership to our ranks after Mr Vogler was murdered. I worried then that we would be able to maintain our "recognized" status. We have, through tough times, because we did the work, and in the last two years have grown by 2,000 members. We applied "elbow grease" and went to work, we did not ask "things" (the Statues) be made easier.

I have no fear of AIP's future ability to comply with what is "on the books" as is. I don't want this bill to pass out of this committee and/or pass out of the Judiciary Committee, should it go that far. Two persons, Joe Vogler and Al Vezey, are responsible for what is in place now. My preferences are the Statue remain as is, unamended by HB 402. I look forward to this committee rejecting this bill. It is an unnecessary change in what is the Law. Considering the time this 25th Legislature has remaining in session, you all, as Alaskas' representatives, can better busy yourselves with other issues. I thank you for your kind attention and pray you agree.

Lynette Clark, Chairman  
Alaskan Independence Party.

- Lynette Clark, Chairman, Alaskan Independence Party Zip Code: 99712

-----  
DO NOT REPLY TO THIS EMAIL if you want to correspond with this author.  
If suspected Spam please forward to: support@housemajority.org  
-----

**HB**

**406**



*Library*

**Revisor's notes.** — In 1998, "AS 36.30.337" was substituted for "AS 36.30.339" in this section to reflect the 1996 renumbering of AS 36.30.339.

**Sec. 36.30.336. Application.** Notwithstanding other provisions of this chapter, AS 36.30.322 — 36.30.338 apply to all procurements subject to this chapter, except as provided in AS 36.15.050 and AS 36.30.322(b). (§ 2 ch 106 SLA 1986; am § 3 ch 62 SLA 1987; am § 16 ch 65 SLA 1987)

**Sec. 36.30.337. Procurement preference for recycled products.** (a) In the evaluation of a bid or proposal for an agency procurement of products, the agency shall decrease the bid or proposal by five percent if the bid or proposal indicates that the products being purchased will be recycled products.

(b) A decrease made under (a) of this section is in addition to other preferences allowed for the procurement.

(c) The department shall establish the minimum percentage of recycled content that will qualify a product as a recycled product under (a) of this section. (§ 4 ch 175 SLA 1990)

**Revisor's notes.** — Formerly AS 36.30.339. Renumbered in 1996 under § 49, ch. 137, SLA 1996.

**Sec. 36.30.338. Definitions.** In AS 36.30.322 — 36.30.338,

(1) "Alaska product" means a product of which not less than 25 percent of the value, as determined in accordance with regulations adopted under AS 36.30.332(a), has been added by manufacturing or production in the state;

(2) "produced or manufactured" means processing, developing, or making an item into a new item with a distinct character and use through the application within the state of materials, labor, skill, or other services;

(3) "product" means materials or supplies but does not include gravel and asphalt;

(4) "recycled Alaska product" means an Alaska product of which not less than 50 percent of the value of the product consists of a product that was previously used in another product, if the recycling process is done in the state. (§ 2 ch 106 SLA 1986; am § 17 ch 65 SLA 1987; am § 6 ch 63 SLA 1988)

**Revisor's notes.** — Reorganized in 1986 to alphabetize the defined terms.

*Sec. 36.30.339. [Renumbered as AS 36.30.337.]*

### Article 6. Contract Formation and Modification.

<b>Section</b>	<b>Section</b>
330. Review and approval by the Attorney General	410. Right to inspect plant
330. Solicitation cancellation, bid and proposal rejection, and delay of opening bid or proposal	420. Right to audit records
360. Determination of responsibility	430. Contract clauses
362. Award of a contract to a nonresident	460. Modification of standard clauses
365. Notice of intent to award a contract	470. Fiscal effects of construction contract modifications
370. Permissible types of contracts	480. Establishment and modification of cost principles
390. Contract term and cancellation	

Validity and construction with respect to delay contract. 74 ALR3d 187

**Sec. 36.30.340.** contains a term the standard term is de reviewed by the Att

**Sec. 36.30.350.** lay of opening bid solicitation may be in part or the date interests of the state reasons for cancella part of the contract

Quoted in Paul Whob Facilities, 908 P.2d 994

Collateral references subdivision to reject all ALR1th 186

**Sec. 36.30.360. D** nonresponsibility of accordance with regt bidder or offeror to respect to responsibility to the bidder or offer (b) Information fu and may not be discl 106 SLA 1986; am §

**Sec. 36.30.362. A** after AS 36.30.170, i aside or maintain professional services, obtained from source statement explaining all be kept in the e

**Sec. 36.30.365. Nc** award of a con ard of a constructio 36.30.300 — 36.30 tice of intent to awi to comost



## Alaska State Legislature

### Representative Anna Fairclough — House District 17

#### House Bill 406

*"An Act relating to a requirement for competitive bidding on contracts for the preparation of election ballots."*

HB 406 is legislation that would require the Alaska Division of Elections to use a competitive bidding process for their ballot printing contracts.

While it is of the utmost importance to all Alaskans that our ballots be prepared properly and with attention paid to all aspects of fair elections, the competitive bidding process is one that is essential to our economy and fairness. It is important that Alaskan businesses be allowed to participate in competitive bidding for the preparation of our ballots.

HB 406, while including provisions for Alaska local hire, does not subject the Division of Elections to the procurement code.

There are stringent regulations that anyone competing for this business must follow, and this legislation does nothing to harm the reliability of our voting system here in Alaska.

Currently, Alaska's election ballots are sole sourced and prepared by one company that has been printing our ballots for years. While it may come to be that the company earns the right to continue to prepare the ballots, it is only reasonable to allow others to compete for that business with our state.

HB 406 will level the playing field, allow competition in printing and increase fairness in our system of commerce and it will do nothing to injure the integrity of our ballots.

# Alaska State Legislature

**Chairman**  
State Affairs Committee

**Vice-Chairman**  
Economic Development, Trade & Tourism  
Committee

**Member**  
Judiciary Committee  
Joint Armed Services Committee

**Finance Subcommittees**  
Corrections  
Labor and Workforce Development  
Military and Veterans' Affairs  
Public Safety



*A Communication From*  
**REPRESENTATIVE BOB LYNN**  
**District 31 Anchorage**

**E-Mail:** Representative Bob Lynn@legis.state.ak.us  
"Bob Lynn's Alaska Blog" RepBobLynnBlog.com

**Session:**  
Alaska State Capitol  
Juneau, AK 99801-1182

Phone: (907) 465-4931  
Fax: (907) 465-4316  
Toll Free: (800) 870-4391

**Interim:**  
716 W. 4<sup>th</sup> Ave., #650  
Anchorage, AK 99501-2133

Phone: (907) 269-0205  
Fax: (907) 269-0207

## FAX

To: Legal Services/Bullard

Fax #: 2029

From: Nancy Manly x2794  
Alaska State Capitol, room 104  
Juneau, AK 99801-1182

# of Pages (including cover): 1

Phone: 907-465-4931  
Fax: 907-465-4316

Re: HB 406 Competitive Bidding for Ballot Prep

3-13-08 – This is a hard copy to my phone conversation to you earlier this morning!

CS for HB 406 Version E passed out of the House State Affairs Committee this morning with no changes. Please draft a final CS. Is this possible to get done before Session this morning?  
Thanks.

Version 25-LS1487/E

```

*****~*****
*
*
*           TRANSACTION REPORT
*
*           MAR-12-2008 08:39 PM
*
*   FOR: REP LYNN           4654316
*
*-----*
*   SEND
*
*
*   DATE   STAFF   RECEIVER           PAGES   TIME   NOTE
*-----*
*   MAR-12 08:38 PM 2029           1       27"   OK
*-----*
*****

```



# Alaska State Legislature

Please enter into the record my testimony to the House State Affairs Committee  
committee name

Committee on House Bill 406, dated 3-6-08  
bill # / subject public hearing date

Good Morning members of the committee.

My name is Kerry Noblin and I represent Peninsula Printing. We are a printing establishment located on the Kenai Peninsula in Soldotna. I have spent over 10 years of my life working in the printing industry and of that 10, the last 4 years have been as the proprietor of Peninsula Printing.

I am here today to give testimony in support of House Bill 406. House Bill 406 represents a requirement for competitive bidding on contracts for the preparation of election ballots.

Currently the Division of Elections is contracting this work through one shop, without giving other qualified printing contractors a chance to bid on the job. I can understand that the Division of Elections have become complacent and comfortable with their current arrangement with their sole printing contractor, but the efforts that go into the printing of these ballots are neither a technical nor an extraordinary effort. The printing of State Election specific ballots is a rather simple job when it comes down to the process of completing it. The largest challenge facing any shop competing for this contract is the sheer volume of ballots. There are many printing contractors in Alaska capable of handling these quantities.

Without putting these ballots out for bid, the State is leaving itself at the mercies of one contractor. Allowing this contractor to dictate terms to the State with regards to pricing, quality and turnaround of this job. It is a bad policy to uphold and it also stifles a strong competitive atmosphere.

With the State Election Ballots being put up for bid among qualified Alaskan Printers, not only will the state be stimulating positive economic growth in the Alaska printing industry, but it will also ensure that the State is getting the best deal possible in terms of price, quality and turn around.

The public bid process of the contracting of other election ballots has been successful in the past, and continues to be a success on a municipality and borough level.

In closing, it is my belief that the State should support this bill. The bill not only ensures the State is getting the best deal possible, it will also help stimulate economic growth in the local printing industry. This concludes my testimony and I would like to thank the members of the committee for their time.

Signed:

Testifier

Peninsula Printing

Representing (optional)

35348 K-B Drive, Ste A4, Soldotna AK 99669

Address

907-282-5267

Phone number

**printworks**

To: Alaska House of Representatives  
State Affairs committee  
Juneau, Alaska

3/3/2008

RE: **HOUSE BILL NO. 406**

From: Kevin S. Fraley, General Manager  
Super Software Inc. DBA - "Print Works"  
829 Smokey Bay Way  
Homer, Alaska 99603  
907-235-8500 ex 226 - Cell 907-299-3545

Dear honorable committee members,

The following phrases come to mind as I write my thoughts about HB 406:

"There are two sides to every story." "The cheapest is not always the best choice."

And "Who says you have to be good at what you do? - You just have to be the cheapest!"

These phrases fit when you think about adopting a bill that will take away the power of the Division of Elections to make sure our election ballots are correctly made and delivered on time.

There are a few things to consider as you make this decision:

- 1 HB 406 makes it difficult for the Division of Elections to guarantee a clean and trouble free election. HB 406 is written with the idea of "making it fair for everyone" - Saving the state money by forcing the Division of Elections to comply with the "lowest bidder" rule. Who says that the Division cannot make sure they are not getting the best price? Or who says that the division is not acting in a fair manner? The Division of Elections has a staff of dedicated people, who are assigned a very difficult job with many tight ( almost impossible ) deadlines. The Division has an exemption from the bid process that applies to the printing of election ballots. Why was this exemption given? I believe it was given to insure that the Division has the power to make the "best choice" based on other criteria besides just price alone. This criteria includes things like a proven track record and the experience necessary to guarantee that the job is done right. Do we trust them to be fair and to be honest? Is it in the best interest of The State of Alaska to restrict the Division of Elections ability to have control over the ballot preparation process? The passing HB 406 will directly restrict the Division. What is the priority with HB 406? It seems that the priority of HB 406 is favoring the vendor and not the Election process of the State of Alaska. Can we just redo the election if it goes bad? I guess we will have to...

2. Accountability of Ballots. Ballots are like currency. To protect from potential fraud, ballots must be handled and accounted for in a very controlled and systematic manner. Like accounting for money with checks and balances, ballots also require checks and balances (accountability) to insure a valid election. Each and every ballot must be properly accounted for without error. HB 406 has nothing to do with accountability but focuses exclusively on price alone.

There are two Alaskan printers that are "certified" to print "Accu-vote" ballots: Print Works and AT Publishing. While AT Publishing is certified by Global Election Systems ( which is now "Premier Election Solutions" ), they have only printed ballots for the city of Anchorage. To be certified by Global Elections means that the printer's ability to put ink on paper in Global's specified technical format has been met. No consideration of the printer's accountability system is evaluated in Global's certification process. Unfortunately, we are not talking about just putting ink on paper, it is much, much more than that. The most difficult part of the ballot preparation process is accountability. I emphasize again, each and every ballot must be accounted for with the proper documentation, providing the appropriate "chain of custody" to protect our elections from huge mistakes and improprieties, such as those seen in other state elections. The preparation of our election ballots must not be considered a "simple printing process to be handed to lowest bidder."

3. There is a non-flexible time frame for delivery: Ballots must be in hand 25 days prior to the election:

*Sec. 15.15.050. Distribution of election materials.*

*"The director shall distribute an adequate supply of sample and official ballots and all other materials, forms, and supplies required for the election to the election supervisors for distribution to chairpersons of election boards in precincts not less than 25 days before the date for the election".*

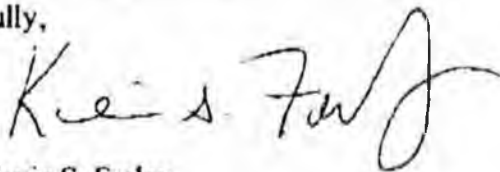
Failure to deliver on time is not an option. How can absentee voting happen if delivery is not on time? One might say - "the printer will be responsible to have insurance just in case". What good would insurance do? The ballots are late putting the election in jeopardy. The potential vendor must have a proven track record for on time delivery.

The bottom line is that there are two certified printers in the state of Alaska to print Accu-vote ballots. Premier Election Solutions is no longer certifying any new vendors for ballot printing. Passage of HB 406 will remove control from the Division of Elections for the sake of one vendor.

I urge the committee to research the track record of all parties involved. Please contact the Division of Elections, The Municipality of Anchorage, or any other city in the state which uses Accu-vote ballots, and research both printers before consideration of this bill.

Thank you for your consideration and time.

Respectfully,



Kevin S. Fraley  
General Manager