



Tim Pawlenty
Governor of Minnesota
Chair

Edward G. Rendell
Governor of Pennsylvania
Vice Chair

Raymond C. Scheppach
Executive Director

March 20, 2008

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The nation's governors are committed to providing secure driver's licenses and identification cards for their citizens. Consequently we ask that you and Congress signal your commitment to REAL ID by providing \$1 billion this year for states for their upfront costs and committing to cover ongoing state costs in the years to come.

Governors supported initial legislation to enhance driver's licenses through a cooperative negotiated rulemaking. When that legislation was repealed and replaced with REAL ID, governors objected and called on the Department of Homeland Security (DHS) and Congress to fix and fund REAL ID by fashioning reasonable rules and providing adequate funding to cover the cost of this new national mandate. DHS listened to governors and other state stakeholders and improved its draft regulations. Now, if REAL ID is to become reality, the federal government must provide sufficient funding to cover states' cost and preserve flexibility for states to manage their unique systems.

The Office of Management and Budget estimates that state compliance with REAL ID regulations will cost states nearly \$4 billion over the next ten years. Much of this cost will come in the first year as states are forced to develop and invest in new systems and alter existing business practices to comply with the law.

To date Congress has appropriated only \$90 million for REAL ID. Your fiscal year 2009 budget provides limited funding for REAL ID, including a \$110 million competitive grant program that also funds other programs and \$50 million for DHS to develop verification capabilities.

In summary, if the federal government is going to direct state security practices over traditional state functions such as driver's licenses and identification cards, then the federal government should pay the states' cost of compliance. If REAL ID is to be implemented, we ask that you work with Congress to provide \$1 billion this year to states to cover the up-front cost of REAL ID and commit to providing additional funds to cover annual costs.

Sincerely,

Governor Tim Pawlenty

Governor Edward G. Rendell