

A Pennsylvania Legislator's Reference:

PHASE 4: 2018 REAL ID ENFORCEMENT

ON JANUARY 22, 2018, TSA WILL REQUIRE PASSENGERS TO PRESENT REAL ID COMPLIANT DRIVER'S LICENSES AND ID CARDS PRIOR TO BOARDING FEDERALLY REGULATED COMMERCIAL AIRCRAFT



EXECUTIVE SUMMARY: The Transportation Security Agency (TSA) now requires adults and youth over 18 years of age to present identification documents, including state driver's licenses among other acceptable IDs. Alternatively, passengers must be cleared through satisfactory secondary screening before boarding commercial aircraft. If Pennsylvania is not determined by the U.S. Department of Homeland Security to be REAL ID compliant or otherwise receives a time extension prior to January 22, 2018, there will be costs to the U.S. citizens of Pennsylvania to acquire alternative identification documents. In most instances, many citizens will need to acquire U.S. passports to ensure prompt confirmation of their identities. This publication includes three alternate cost projections using assumptions within the range of probability and based on Pennsylvania airport passenger data from the U.S. Department of Transportation in the fiscal year that ended September 2016. This analysis projects potential costs by the end of calendar year 2018 for "once a year" travelers from the estimated 60% of Pennsylvania citizens who do not now possess passports range from a best case of \$406 million cost to a worst case of \$966 million.

PENNSYLVANIA'S PENDING PROBLEM

Should Pennsylvania remain non-compliant with REAL ID standards and consequently not be granted time extensions by the U.S. Department of Homeland Security (DHS), many state residents will need to acquire passports or will need to arrive at airports early enough to pass through secondary TSA screening in January 2018. This document provides reference to published federal guidance and projects likely costs for Pennsylvania residents to acquire passports.

REAL ID ENFORCEMENT IS NOW IN PHASE 3

Currently, residents of five states must present passports or alternative acceptable IDs to enter military bases or security federal facilities (Missouri, Minnesota, Maine, Montana, and Washington State) because those states are non-compliant with REAL ID rules.

PHASE 4 IS SCHEDULED TO BEGIN JAN. 2018

Residents of states which are not REAL ID compliant (non-compliant) that seek to board federally regulated aircraft will need to present passports or acceptable alternative IDs to driver's licenses or state issued IDs. Per TSA notice in November 2016, secondary screening will not be an option for residents of non-compliant states due to TSA capacity and staffing limits. Pennsylvania is currently non-compliant and subject to enforcement beginning June 2017.

On November 8, 2016, TSA published a notice describing enforcement for airport security screening of persons lacking REAL ID compliant driver's licenses or state issued IDs. Below are the pertinent extracts:

Secure driver's licenses and identification documents are a vital component of the Department of Homeland Security's (DHS's) national security strategy. In particular, preventing terrorists from obtaining state-issued identification documents is critical to securing the United States against terrorism. The 9/11 Commission noted "[f]or terrorists, travel documents are as important as weapons" and recommended that the Federal Government work with other levels of government to solidify the security of government-issued identification documents.

...To implement the REAL ID Act, TSA may accept state-issued verifying identity documents only if they have been issued by a state that is in compliance with the minimum security requirements and standards set forth in the Act, or if the state has received an extension from DHS.

In accordance with DHS policy, TSA will begin implementing the REAL ID Act at airport security screening checkpoints on January 22, 2018. Starting on that day, TSA will not accept state-issued driver's licenses and other state-issued identification cards from states that are not compliant with REAL ID Act requirements unless DHS has granted the state a temporary extension to achieve compliance.¹



DHS ADVISORY POSTERS

Posters like the one above and others were placed prominently at airports across the nation last year, warning of impending REAL ID enforcement in order to preempt confusion at airports in 2018.

1. From a public notice by the Transportation Security Administration dated 11/8/2016 in the Federal Register Printed Page 78623 [https://www.federalregister.gov/documents/2016/11/08/2016-26958]

PROJECTION:

Pennsylvanians will need to spend more than \$400 million to obtain passports to fly if the state remains non-compliant. Nationally, just 46% of U.S. citizens, including a number of children, have valid passports. A recent estimate asserts that even fewer Pennsylvanians do, just 40%. According to American Airlines, 87% of its passengers fly just once per year, usually for lifetime events, such as weddings, funerals, graduations, vacations, etc. Because they travel so infrequently, many of these passengers do not possess a current passport, the company's Managing Director of Government and Airport Affairs said in written testimony in the Pennsylvania legislature regarding the challenges that REAL ID non-compliance would place on its customers.

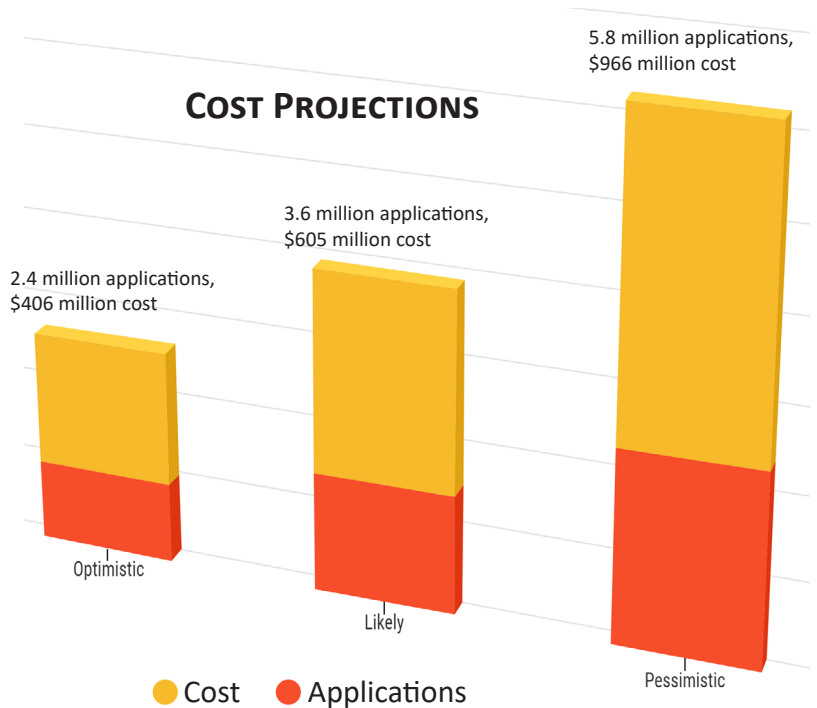
This pervasive lack of identification alternatives to the driver's license across the country, and in Pennsylvania specifically, indicates that REAL ID non-compliance will generate a tremendous surge in passport applications. In fact, awareness posters in federal buildings and airports are already generating increased passport applications. Those applications carry with them a very significant collective financial cost in processing fees, delivery services, and other associated expenses. In our cost analysis below, we assume that 10% of Pennsylvania's air travelers will newly acquire passports in 2017, recognizing the need for alternate IDs to driver's licenses if the state doesn't comply.

THREE OUTCOMES: OPTIMISTIC, MOST LIKELY, PESSIMISTIC

The three cost projections presented above are based on the possibility that the Pennsylvania legislature will (a) not repeal Act 38, which prohibits PennDOT from REAL ID compliance; or (b) repeal Act 38, but PennDOT discovers subsequently that it needs enabling legislation or otherwise fails to meet REAL ID compliance and the state does not receive a further extension from DHS. The projections each assume that 13% of state residents are multi-annual-trip passengers (per Senate hearing testimony) and already possess valid passports.²

OPTIMISTIC ANALYSIS (BEST CASE): About 2.4 million state residents who travel once annually will spend \$406 million in 2018 to acquire U.S. passports.

The optimistic analysis assumes that only 40% of airline passengers with flights originating in the state are state residents (6.4 million), that 30% of one-annual-trip passengers have obtained passports by January 2018 (optimistic), and that 54% of one-annual-trip state resident airline passengers lack passports, as of June 2017. This implicitly assumes that many PA residents not possessing passports now will rush to obtain passports in the next nine months, in anticipation of the need to travel after January 2018. Only 10% of tourists to Pennsylvania depart by air (enplanements), so this projection implicitly assumes 50% of passengers originating at state's airports are departing non-residents whose visits to the state were for business reasons or personal events in the calendar year October 2015 - September 2016.



2. The source data for roughly 16 million (16,183,544) local passenger originations at Pennsylvania airports is Aviation Dataminer projections from the US Department of Transportation Origination and Departure Survey, also cited in February 8, 2017 written testimony by the Aviation Council of Pennsylvania. The same source shows 27 million (27,699,575) total passengers at Pennsylvania airports in the time period from October 2015 to September 2016.

MOST LIKELY ANALYSIS: About 3.6 million state residents (50%) who travel once annually will spend \$605 million in 2018 to acquire passports.

Passport costs to PA residents (citizens) if 50% of airline passengers with originating flights in the state are state residents and 54% of these passengers lack passports as of June 1, 2017. U.S. Department of Transportation statistics show 58% of airline passengers originate locally, including many who previously flew into the state for business or family events. Roughly 10% of tourists in Pennsylvania enter and return by air, adding to those travelers who are not from PA, so assumption is set to 50%. U.S. Passport Office statistics show 46% of citizens have passports, so net without is 54%. This analysis is deemed "most likely" because the assumptions include increased public awareness of possible airport clearance issues. Extensive news coverage that the state is non-compliant with REAL ID standards and the time extension that ends in June 2017 has increased demand.

PESSIMISTIC ANALYSIS (WORST CASE): About 5.8 million state residents who travel once annually will spend \$966 million in 2018 to acquire passports.

Pessimistic analysis assumes 50% of airline passengers with originating flights in the state are state residents and 60% of one-annual-trip state resident airline passengers lack passports as of June 2017. To quantify, it assumes 8 million of the 16 million passengers originating at Pennsylvania airports in the calendar year October 2015 – September 2016 were Pennsylvania residents and that this number will be equal to calendar year October 2017 - September 2017. If the state's economy continues to improve, it is likely the actual number will be even higher than 8 million and the costs to residents for passports will also be higher if Pennsylvania remains non-compliant with REAL ID.

PUBLIC LAW 109-13, THE REAL ID ACT, IS HERE TO STAY

It is an anti-terrorism law aimed at making it more difficult for terrorists and criminals to hide their identities by fraudulently obtaining a driver's license. REAL ID prohibits federal agencies from accepting driver's licenses that do not meet certain standards set by the Department of Homeland Security (DHS). The driver's license is the preferred form of identity in the United States. We use our driver's license for a whole host of purposes, ranging from boarding an airplane to opening a bank account to employment verification. Furthermore, the federal government depends on the integrity of these documents. TSA is subject to federal laws that require confirmation of passenger identity and that the identity matches the name on the ticket. Even before contemporary risks from foreign and domestic terrorists, passenger identity confirmation for international flights was routine, due to an epidemic of airplane hijacking. Today's risks extend to domestic air travel, hence REAL ID sets standards for driver's licenses for passengers boarding airplanes. Federal agencies depend on driver's license reliability to allow access to secure federal buildings. The federal government is obliged to determine which identity documents are secure and which are not in the best interest of public safety as well as to comply with the REAL ID Act.

RECOMMENDATION:

The government of Pennsylvania should take necessary legal and process changes to come into compliance with the REAL ID Act without delay. Doing so will avoid public inconvenience and high cost to its state residents who need to travel by airplane and those who must routinely access military bases and secure federal facilities. Within the state, more thorough confirmation of identity prior to issuing driver's licenses, or renewing them, will reduce identity theft and potentially help to prevent crimes and public benefits fraud.

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Keeping IDentities Safe

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