IBM

The Real ID Act:
Integrated Enterprise Content
Management Paves the Way for
Powerful Identification Management

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Executive Summary

Signed into U.S. Federal law on May 11, 2005 as part of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror and Tsunami Relief Act (P.L. 109-13), the Real ID Act aims to establish a federal standard for driver's licenses and identification cards (IDs) issued throughout the United States by May 11, 2008. Maintaining high security standards, states must normalize processes for collection and storage of citizen data, as well as support inter-state information sharing and integration with federal systems. The overarching Real ID Act goal is to enhance national security and deter terrorism by improving the integrity of the issuance and validation processes involved with state driver's licenses and IDs.

While Real ID Act compliance presents a daunting task, state adoption benefits are clear and in line with e-government initiatives that have been evolving since President George W. Bush outlined his President's Management Agenda in 2002, launching the President's E-Government Strategy. E-government goals include making government more citizen and result-centric, increasing inter-agency collaboration and using Internet-based technology to streamline and improve citizen-to-government interaction.

Information management is central to Real ID legislation, as states must implement digital imaging technology to enable electronic document storage. Further, they must establish records retention systems and automate processes by which states maintain source documents and associated images according to a federally-mandated schedule. State Departments of Motor Vehicles (DMVs) and other identity issuing authorities must evaluate existing information technology (IT) systems to ensure mandate compliance – while also managing limited budgets and tight deadlines.

An integrated Enterprise Content Management (ECM) approach, utilizing Business Process Management (BPM) and Records Management (RM), offers state DMVs, immigration organizations and other identity issuing authorities a solid information management foundation for Real ID Act compliance. By streamlining internal data collection and handling processes, an integrated ECM platform minimizes complexity and credentialing time for both regional government agencies and requesting citizens. Importantly, an integrated ECM approach

provides the performance and flexibility to directly impact operations – reducing costs while increasing productivity, as well as providing increased processing capability to handle exceptions and special cases.

Bumps in the Road to Real ID Act Support

As the 2008 Real ID Act deadline rapidly approaches, states await further guidance from the federal government. On September 21, 2006, the National Governors Association (NGA), National Conference of State Legislatures (NCSL) and the American Association of Motor Vehicle Administrators (AAMVA) released a report, "The Real ID Act: National Impact Analysis," noting Real ID Act compliance will cost states more than $11 billion during the first five years of implementation. [1]

Even with full funding and wide-scale, aggressive implementation plans, the report concludes that the legislation tasks states with tremendously difficult burdens – compliance with unpublished regulations. Major recommendations of the NGA/NCSL/AAMVA report include:

- **Extend the compliance deadline** – State compliance is virtually impossible by the May 2008 deadline, primarily because the federal government has yet to issue regulations. Additionally, the majority of state DMVs do not have the IT systems necessary to enable compliance

- **Provide funds necessary for state compliance** – As the projected cost of compliance far exceeds the Congressional Budget Office estimate, states will require a more significant investment by Congress

- **Grant flexibility for individual state recognition** – Several states have updated their systems to meet objectives similar to those of the Real ID Act. The federal government should have the discretion to recognize state practices and innovations that accomplish the legislation's goals

- **Implement a 10-year, progressive re-enrollment schedule** – It is impractical for states to renew all 245 million driver's licenses/IDs by 2008. The federal government should provide states with the flexibility to delay re-verifying certain populations to maximize resources and avoid severe customer service disruptions

- **Allow reciprocity for persons the federal government already vetted** – States could realize significant savings and reduced transaction time if individuals already verified for certain federal identification cards are considered pre-qualified for Real ID Act-compliant driver's licenses/IDs

DMV Employees Predict Failing Compliance Grades

Taking analysis one step further, additional research finds that state DMV employees do not feel prepared to take the steps needed for Real ID Act compliance in time for the impending deadline. "The Real ID Act: Are States Ready to Take the Wheel?," [2] report, revealed that many DMV employees face significant hurdles to achieving compliance.

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[1] National Governors Association, National Conference of State Legislatures, and American Association of Motor Vehicle Administrators, "The Real ID Act: National Impact Analysis," page 2. (2006)
[2] Study conducted by O'Keefe & Company on behalf of IBM Enterprise Content Management Software Operation. (2006)

The October 22, 2006 report cites immature infrastructures and lack of funding to purchase the technologies (specifically, imaging systems) as key barriers to state compliance. While DMV employees see strong value in the Real ID Act, including stronger ID authentication abilities, enhanced credentialing abilities, stronger card security, improved driver privilege management and better ticket administration, an overwhelming 70 percent of respondents do not believe the Real ID Act will be enforced with its 2008 deadline.

While the debates continue regarding Real ID Act adoption feasibility within the federal deadline, the reality of the Real ID Act stands: states must move ahead and identify the appropriate path toward compliance. Driver's licenses and IDs that do not meet Real ID Act standards will no longer be proofs of identity for everyday federally-controlled activities, such as air travel. By automating the identity verification and credentialing processes, DMVs will not only meet regulatory requirements, but will also benefit from the opportunity to increase operating efficiencies and cross-jurisdictional collaboration while reducing costs.

DMVs can ease the compliance requirement by implementing solutions that reduce the time required to build architectures, platforms and applications. This is achieved by leveraging existing information management investments and already-established procedures, as well as proven best practices successfully deployed in other states.

Assessing Existing Infrastructure Capabilities for Strengthened ID Management

Before state budgetary issues and limited resource constraints can even be addressed, states must first look at the IT options available for upgrade/purchase. The 2006 study also found that 70 percent of respondents said they did not believe their IT infrastructures were currently sufficient to achieve Real ID Act compliance. Without fundamental Enterprise Content Management (ECM) systems integrated with Business Process Management (BPM) and Records Management (RM) systems, states will not be able to comply with the Real ID Act. When asked about current IT infrastructures, DMV respondents noted the following missing components:

- 50 percent do not have RM systems

- 40 percent do not have BPM/workflow systems

- 40 percent do not have imaging systems

- 30 percent do not have content management systems

Addressing the Paradox of Compliance without Guidance

States that currently have one or more of these systems in place may have a head start at achieving compliance – or do they? Without federal program requirements for Real ID Act compliance, state DMVs are reluctant to potentially waste limited budgets and resources to initiate system upgrades that may not be in compliance. Should states begin system upgrades now, they run the risk of deploying expensive, incompliant systems – creating a worst-case scenario that would diminish available project funds and waste precious time required to revamp the systems for the May 2008 compliance deadline. Most states, therefore,

are waiting for additional federal guidance. As each day goes by without enhanced federal guidance, the current deadline grows that much closer and becomes more difficult to meet.

Because states will be held liable for the May 2008 deadline, state DMVs should adopt a phased approach to achieving Real ID Act compliance. State agencies must first survey their current systems and make appropriate updates/purchases that the Real ID Act is sure to dictate.

At a high level, the Real ID Act requires imaging solutions to move away from paper records and provide flexible automation that will enable the electronic capture, storage and online retrieval of identification documents. As such, it is critical to deploy an infrastructure that provides the performance, scalability and flexibility to comply with specific Real ID Act measures and application requirements. Looking beyond the Real ID Act framework, an enhanced IT infrastructure that automates data intake and business processes will enable more rapid, streamlined decision making and ultimately, improved constituent services.

Integrated ECM Puts DMVs in the Driver's Seat for Federal Compliance
A fully integrated ECM approach – which includes BPM and RM components – will offer state DMVs a solid foundation on which to build the information management systems required for compliance with the Real ID Act. By implementing an integrated ECM system, state DMVs will operate in a common information management environment that enables easier sharing and exchange of information – critical in maintaining and accessing electronic records.

Enterprise Content Management

ECM solutions capture, manage, store, preserve and deliver data supporting organizational processes including, but not limited to, case management, forms/claims submissions, correspondence tracking and identity verification. Furthermore, ECM enables agencies to provide authorized users with immediate access to information and records across the department and to disparate locations – reducing information management costs and increasing operating efficiencies. Leveraging ECM technology as the foundation for state Real ID Act solutions enables DMVs to achieve not only compliance, but also significant productivity gains and cost containment, including:

- Productivity gains
  - Reduced time for data capture
  - Increased speed of credential issuance
  - Increased visibility into business processes and status
  - Improved records retrieval and storage capability
- Cost containment
  - Reduced time and labor required to support the entire issuance process
  - Reduced storage and physical resources required for paper record keeping
  - Reduced transaction costs in license issuance

Business Process Management

In an effort to optimize key processes and limited resources, BPM automates the collection and distribution of documentation and information involved in process-intensive identity verification and credentialing. In an integrated ECM operating environment, BPM coordinates information flow to support decision making as well as data management – "activating" content and placing it in context, making it readily available for fast and informed decision-making. BPM can offer far more than traditional workflow – enabling DMVs to not only map business processes and functional requirements, but also completely integrate all affected applications within an identity verification system. As a result, BPM enables DMVs and other identity issuing authorities to more rapidly capture and share data/images, process applications and make informed credentialing decisions. Offering more than a technology improvement, BPM provides significant operational and management benefits, including:

- **Improved oversight** – DMVs can improve resource management and allocation via access to process tracking and display tools that allow in-depth analysis of real-time and historical process information

- **Enhanced collaboration** – DMVs can connect to other agencies, departments or governments, as needed, to enhance and streamline decision making, as required by the Real ID Act. BPM enables cross-organization and inter-state information sharing, even when entities do not operate on the same levels of electronic sharing capabilities

- **Rapid verification** – DMVs can collect and verify critical identity data online and in real-time, as well as complete security clearance checks on personnel involved in driver's license/ID issuance

Records Management

Once a state issues a driver's license or ID, all related information about the licensee, documents and payments become official records that must be maintained according to national and state laws. The RM component of the integrated ECM platform provides the capability to maintain, archive and dispose of these records according to mandated schedules. As a result, states have platforms to achieve and maintain records-related regulatory compliance, as well as minimize risk. As part of an integrated ECM platform, RM provides DMVs with significant technological and business processing advantages, including:

- **Process-based policy enforcement** – An integrated ECM platform with a RM component provides not only archival, retrieval and disposal functionality, but also a business process-based means by which to enforce RM policies including Real ID Act stipulations. Policy is enforced at the technology layer, making it invisible to the individual system user and allowing for enhanced management oversight

- **Reduced compliance costs** – By automating the RM process on the front-end, DMVs can save time and money on the back-end in the event of a compliance check or other audit, such as Real ID Act adherence. With confidence that records have been declared, classified and disposed of according to policy, organizations can quickly and easily pull identity/credential records upon request

- **Increased security** – Electronic RM systems offer increased security to protect files, which reduces potential record corruption or misplacement. Further, the privacy rights of the licensee are better protected with the augmented security features of an integrated ECM approach

Aligning ECM with Real ID Act Compliance

To support agencies' myriad requirements, a truly integrated ECM system is far more than a data repository. It supports all aspects of the content lifecycle – from document imaging through record declaration and archiving with BPM and RM. Regardless of the technology used on the front-end for image, document or biometric capture, an integrated ECM system provides the identity verification system foundation to support Real ID Act requirements. In addition, an integrated ECM approach to identity management minimizes risk and enhances security – the fundamental driver behind the Real ID Act.

The FileNet/BearingPoint Compliance Solution

To help state DMVs achieve Real ID Act compliance in the easiest and fastest way possible, FileNet and BearingPoint solutions have been joined together to provide a complete compliance solution. Leveraging expertise gained by working with DMVs and other state agencies across the country, the FileNet/BearingPoint solution offers DMVs the ability to take advantage of best practices that scale to meet each state's unique requirements and starting points. As each state will begin compliance work at different stages and will need different systems in place, the FileNet/BearingPoint solution is customized to address each state's unique requirements. With this flexibility, DMVs can take advantage of a solution that supports the initial influx of activity and content associated with achieving Real ID Act compliance quickly – in time for the May 11, 2008 deadline – and also manage ongoing compliance efforts as well as accommodate changes based on revised rules or regulations.

The FileNet/BearingPoint solution enables DMVs to automate the document validation process by performing all necessary information gathering and authentication activities, storing responses within the system and declaring records as dictated by both state and Real ID Act provisions. The solution eliminates the need to retain paper documents by validating and storing all documents electronically – providing DMVs with improved disaster recovery capabilities and reducing human error associated with paper documentation and filing systems. Further, the electronic system enables rapid document retrieval, reducing the time required to process citizen applications and respond to inquiries, allowing state DMVs to comply with federal regulations while best serving citizens' needs.

Conclusion

Today, more than 1,300 government organizations at all levels, in more than 80 countries worldwide, use IBM FileNet ECM solutions to streamline and automate business processes and to connect with information systems, as well as to access and manage content enterprise-wide. An integrated ECM approach, including BPM and RM components, offers DMVs, immigration organizations and other identity issuing authorities the foundation to build the information and records management applications required for compliance with the Real ID Act. By embracing ECM, these organizations can quickly build the required architectures, platforms and applications while leveraging existing IT investments and streamlining operations. While enabling compliance with Federal Real ID Act mandates, these improved operating infrastructures also allow DMVs and other identity issuing authorities to improve the credentialing process, increase overall security identification and maintain high levels of citizen service, security and privacy.

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About IBM ECM

As the clear market leader in Enterprise Content Management (ECM), IBM's ECM solutions help organizations make better decisions, faster by managing content, optimizing business processes and enabling compliance through an integrated information infrastructure. IBM's ECM portfolio delivers a broad set of capabilities and solutions that integrate with existing information systems to help organizations drive greater value from their content to solve today's top business challenges. The world's leading organizations rely on IBM enterprise content management to manage their mission-critical business content and processes.

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