

Having a Central Issuance System cuts down on fraud. Some states have a negative file and some don't. Just depends on what the State wants. He indicated that the costs would be based on volume but would run between 40¢ - 50¢ wet or dry including postage.

Senator Herr asked if the picture that was taken was poor would a person then have to make a special trip to have it retaken. Mr. Carst answered there is less than 1% error.

Senator Gojack asked how an address change would be handled. Mr. Carst answered that there would be no problem if the State set up a negative file.

Howard Hill, Director of Dept of Motor Vehicle, said he was in favor of the photo license program if the cost was \$1.00 or under. He stated he thought the negative file would help very much but might put the cost over \$1.00.

Mr. Winkleman, Budget Director of DMV, told Committee if they used a "dry" instant photo method, the DMV would have to install some computers and add personnel so might add 50¢ to the initial 50¢ cost. Senator Herr asked what would be the figure of money they would need to get the whole system started.

Winkleman said costs would be:

\$12,000.00	personnel costs
1,300.00	terminal costs
2,000.00	travel and training
<u>\$15,300.00</u>	

He stated these monies could go back to the source after the program gets started. This is much less than what was asked for last session.

Senator Monroe suggested that restriction be used so that people could only get a new photo license upon expiration of the old license and also charge a \$3.00 renewal fee to help cut down initial costs. Winkleman then asked about the person that comes in and says he's lost his license.

Winkleman stated that they would probably need one additional person in each of the 4 field offices plus one additional person out on the road to help with the initial influx of people. They would also need some overtime money included. Senator Monroe asked if they wouldn't be able to use some of the personnel in the central office to work in the field office.

Mr. Dreyer asked once the people are hired how is DMV going to cut back after the program slacks off. Mr. Hill answered that they hoped to be able to get by without hiring much additional help, but if they have to hire then after 4 or 5 months these new people will be put on a temporary basis. Mr. Dreyer asked if there was anything in the budget to allow for these extra funds or will they have to go to the interim finance committee to get more money. Mr. Hill said they have not budgeted for these extra funds.

Mr. Cahill, representing the Nevada Resort Association in Las Vegas also spoke in favor of the photo license. He said it would be an excellent aid to check cashing.

As time had run out, Senator Herr adjourned the meeting at 2:10 p.m.

Respectfully submitted,

Camille Lee
Assembly Attache

ASSEMBLY

AGENDA FOR COMMITTEE ON TRANSPORTATION - joint meeting of Senate
and Assembly Transportation Committees
Date Wednesday, Mar. 5 Time 12:00 noon Room 345

Bills or Resolutions to be considered	Subject	Counsel requested*
S.B. 217	Requires that driver's license bear a colored photograph of the licensee and increases license fees. Fiscal Note: No. (BDR 43-932)	
A.B. 131	Requires that driver's license bear a photograph of the licensee and increases license fees. Fiscal Note: No (BDR 43-394)	
A.B. 170	Permits issuance of identification cards to certain persons who do not have a driver's license. Fiscal Note: No (BDR 43-393)	

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*Please do not ask for counsel unless necessary.

ROOM # 345

DAY Wednesday DATE 3-5-75

Please Print

NAME	ORGANIZATION	ADDRESS
W.H. Haynes	Las Vegas AARP - 1189	4815 Newton
W.H. HAYNES	Las Vegas Chapter 1189 AARP	4815 Newton DR. L.V.
W.D. McCullough	AARP Dir.	540 Avem Boulder City
Floyd Willyard	City Auto Towing	1765 Lewis Reno
LARRY RICHARDS	City Auto Towing	1765 Lewis, Reno.
VIRGIL ANDERSON	AAA	ORMSBY House
EDWARD J. ALLEN	ALLEN PHOTOGRAPHERS, INC.	LAS VEGAS, NEVADA
BILL FITZPATRICK	D.M.V.	CARSON CITY
BOB DeYoung	D.M.V.	CARSON
U.L. Fletcher	DMU	Carson City
ALB BERNETT	DMU	Carson
Gene Phelps	Hwy DEPT:	✓
Grant Stanton	Hwy Dep.	CC
B.W. FIRTH		1555 W. King, C.C.
JANICE R. AYRES	NEVADA Association for RETARDED CITIZENS	1800 E. Sahara Ave # 102, Las Vegas 89104
Florence S Schroeder	N.R.T.A. A.A.R.P. Legislative Com.	Las Vegas, Nevada
Patricia Perreotti	AARP-N.R.T.A. Legislative Com.	Las Vegas, Nev. 1530 Progress 2d Fut City, Nev. 89108
Don Lass	Sec/Electro.	
Richard O'Connor	Polacoil Corp	Cambridge, Mass
Dorothy Anderson	Anderson Automotives	Carson City
Ted E. Hilich	Polacoil Corp	San Francisco, Calif.
Dyhn Gault	DMU	CARSON CITY
James J. Tomblant	NEVADA HIGHWAY PATROL	CARSON CITY
John Crossen	LCB - audit	CC
Fred H. Dresler	Rancher Farmer	
Delbas Whynston	Nevada Cattlemen Assoc.	Minden, Nv.
Brockman		

SENATE Transportation COMMITTEE

ROOM # 345

DAY Monday DATE 3-10-75

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Please Print

NAME

ORGANIZATION

ADDRESS

Fred Gunning - Aer/Electro - Fort Wayne, Ind

Charles Welsh N/A Leno

James Sullivan Rehab CA

~~Don Karol - 10/6~~

Mike Allen Spahr

PHOTOGRAPHIC DRIVER'S LICENSES

TESTIMONY
BEFORE THE
TRANSPORTATION COMMITTEES
OF THE SENATE AND ASSEMBLY
NEVADA STATE LEGISLATURE

MARCH 5, 1975

PRESENTED BY:

Ronald R. O'Connor
Theodore C. Ehrlich
Polaroid Corporation

Senator Herr, Mr. Glover, members of the committee, my name is Ted Ehrlich. I am employed by Polaroid Corporation as Government Program Manager for the Western United States. I would like to take this opportunity to thank you for inviting me to be here today. Hopefully, the information I can provide will give you a better insight into the photo drivers license -- its uses and advantages for Nevada. In each of the folders I have passed around you will find a copy of my testimony as well as additional information that may be of interest to you.

Virtually since instant photography was first developed, it has been used for identification cards of all types. Polaroid Corporation never entered this broad marketplace directly however until 1966. Today, over 95% of all photographic ID cards in this country are made using Polaroid photography. Over 200 million ID cards, bank credit cards and drivers license have been issued using Polaroid ID Systems.

In 1968, we entered the photo drivers license field. At that time there were twelve states issuing a photo drivers license. Currently, 32 states issue a photographic license. Before I go into detail concerning the types of systems available, etc., let's consider some of the basic reasons for this decisive trend.

The drivers license is the most widely used and accepted means of identification. There is some disagreement that the motor vehicle department is in the identification business. It is true the drivers license is a document issued by the state to reflect a privilege granted to a citizen. This document is designed primarily to identify the individual to law enforcement officials on request as proof that the driving privilege has indeed been granted to the individual. However, the greatest majority of the driving public are never required to use the license for this purpose. The drivers license is used

most frequently as a means of personal identification to cash checks or provide proof of age for the youngest and oldest drivers. (The older drivers use it as means of eligibility for many senior citizens programs.) The reason for the growing popularity of photographic licenses is that a portrait, particularly one in full color, is a highly accurate and detailed form of identification that is very difficult to change or counterfeit without detection. A properly designed photo license has a large enough variety of security features built into it to discourage counterfeiters. The Driving Public Wants the Photo License ---

Ohio state officials say the instant color photo drivers license being issued there since January, 1974, is proving so popular with motorists that all of the state's eight million drivers may have them in three years instead of the estimated four.

A recent survey conducted by the State of Oregon revealed that 69% of the driving public wanted a color photo on the license. 59% of those surveyed indicated they would be willing to pay an additional fee for it.

Law Enforcement Officials favor the photographic license for many reasons:

- Reduction in license switching.
- Better identification of traffic violators.
- As an aid in criminal investigations.
- Reduce drunken driving by providing tighter control of liquor sales to minors.
- Eliminates driver test stand-ins.
- Improves on-the-job safety for patrolmen.
- Reduction in bad check fraud.

The business and banking community also favors the photo license as an aid in cashing checks and reducing fraud.

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Now that I have outlined some of the reasons why a photo license is desirable, I would like to explain in some detail the nature of this business and the principle types of systems you may wish to consider. Before 1959 none of the states issued a photo license. In 1959, Colorado became the first state to do this. Currently, 32 states issue a photo license. Polaroid entered the drivers license business in 1968 in North Carolina. Prior to that time, all photo licenses were issued on wet-process or conventional film. That meant that once the photo was taken, it had to be returned to a central processing facility for development and printing and then later mailed out.

Since the state of North Carolina's program in January, 1968, 13 of the states instituting photo license programs have selected instant issuance in preference to wet-process systems. And, of the 13, New Mexico, Vermont and Washington, D.C. converted from wet-process systems to instant issuance because of the speed, convenience and security provided by over-the-counter issuance. No state has ever dropped instant issuance in favor of wet-process.

Seven-Year Trend in Photo License Programs

(January, 1968 - January, 1975)

Instant Photo

Alaska
 Delaware
 Massachusetts
 Mississippi
 New Hampshire
 New Mexico *
 North Carolina
 Ohio
 Vermont *
 Virginia
 Florida
 Washington, DC *
 Kentucky

Wet-Process Photo

Hawaii
 Kansas
 Minnesota
 Rhode Island
 Washington
 Missouri

* Switched from wet-process to instant photo.

The primary reasons for this trend toward instant issuance are:

- Citizen convenience by virtually eliminating recalls for photos that don't turn out and by giving to the citizen the photographic license he is there to receive.
- Efficiency - less handling and processing delays and costs.
- Economy - no mailing or hidden internal clerical costs.
- Security - the most secure card available.

In each of the folders I have provided you will find a more detailed list of the advantages of instant issuance.

The State of Illinois recently released the results of a pilot field test on photo license issuance systems. The study recommends instant issuance for Illinois' 8,000,000 drivers. The Illinois study stated that "The instant issuance of photographic drivers licenses has almost become a necessity." I am sure Illinois will provide copies of this study on request.

The trend toward instant issuance among state motor vehicle administrations was a major consideration effecting the National Driver Register study recently completed by the U.S. Department of Transportation. Commenting on licensing practices in its Final Report on the NDR, the DOT noted that "state service to the motoring public is rapidly achieving instant issuance of drivers licenses."

The DOT report cites the need for faster data interchange and response time between the NDR and state officials. It says the NDR's current "systems response coupled with mail transmission, unfortunately, is no longer adequate for many states, particularly since the more sophisticated are moving more and more rapidly toward the instant issuance of drivers licenses.

In previous sessions of the Nevada Legislature, the Department of Motor Vehicles has expressed a strong desire to issue "instant" drivers licenses whether or not they contained a photograph. The question surely arises as to why legislate the type of system?

In previous sessions, our competitors, who did not have "instant" capability said legislation of this type was restrictive. Now, our competitors have obviously decided that the trend is toward instant or over-the-counter issue and have two very distinct instant products of their own. They currently have a contract for production of instant licenses in Florida and have recently bid their latest instant system in Illinois.

On the other side of the coin, however, there is only one wet-process vendor in the business at this time. Virtually all of the states now issuing drivers licenses centrally are looking towards over-the-counter issue as the ultimate goal in the near future. There is no reason why Nevada should take two steps to achieve that end. Legislation which does not specify either type of issuance system can only leave the department open to criticism by the public and the media regardless of which route they should take. Certainly, consideration must be given to installing terminals in field offices for immediate data interchange of drivers license information. These devices are most desirable in the licensing offices - at least those with large volumes. When coupled with printers and linked to the central computer, the terminals can provide immediate record check and update and printing of the license information card on the spot. This saves time for the citizen, eliminates the need for manually typing forms in the field, eliminates slow and costly record updating in the central office. To the best of my knowledge, every state either has terminals installed already or plans to install some terminals in the field in the future. It is the logical step to move the vast capability of the computer to the field and make it work for the citizen who pays for it!!

The use of terminals in all locations is not the only way a license can be issued over-the-counter. In rural locations where volumes do not justify, at least initially, the cost of terminals, the licenses can be issued over-the-counter using a combination of a computer checked renewal notice and microfiche records. Both of these are already in use in Nevada and will allow those citizens in any of the rural areas and those serviced by travelling examiners to get their license immediately also. 87

In essence, this state can spend virtually any amount of money per license designing a system which will make it very difficult for an individual to obtain a license fraudulently. Regardless of the cost or sophistication of the system, a certain small percentage of the population will still manage to beat the system. Therefore, the question becomes whether you design a system to provide the best service at a reasonable price to the 99% of the driving public who are law abiding citizens or spend excessive amounts with a system designed for the other 1%.

Let's consider how this business is done and what the costs might be for Nevada. Virtually, all of the states issuing a photo license do so under a contract agreement with the vendor. These contracts provide all equipment, supplies, materials, training, and service required to produce the photo licenses. The state pays a fixed price per license issued under this contract. The contract period is normally four to six years and precludes the necessity of front-end capital expenditures for a photo process. They are all based on a pay-as-you-go type of arrangement allowing the states to collect the license fees before they must pay for the materials required to produce them. Contracts of this nature enable the state to achieve the best possible pricing advantages and to protect itself against product obsolescence. Costs of a photo license program vary from state to state and are determined by several variables such as - final bid specifications; length of contract

period; number of cameras required; number of licenses to be issued; type of lamination, etc. In most of our states, the price ranges from 34.9~~0~~⁸⁸ per license issued to 41.5~~0~~ per license issued. It is important to note that with the instant issuance method there are no hidden costs such as those normally associated with the wet-process method.

Based on the approximately 100,000 licenses issued per year in approximately 17 locations, the contract costs for Nevada would be about \$.40 per license. This is the price paid to a vendor. In addition to this, the Department of Motor Vehicles can certainly identify other areas where costs may be incurred with each system such as mailing costs, handling and processing costs or costs of terminals. Overall, the license cost should certainly be covered with a fee increase of \$1.00 for the license. This amounts to 25 cents per year - certainly not an excessive figure.

May I answer any questions?

ADVANTAGES OF INSTANT ISSUANCE

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The instant system provides the state with a method whereby the photo license is issued on-the-spot to the citizen. This method offers the following benefits to the state and its citizens:

No citizen inconveniences necessitated by recalls.

No postage for mailing finished licenses to the citizen.

No cost for envelopes to mail finished licenses.

No cost for mailing film to and from photo stations for processing.

No cost for automated stuffers for mailing licenses.

No cost of remailing licenses returned because of address change.

No cost of personnel for collating finished photo licenses with license applications.

No cost of personnel for handling licenses returned because of address change.

No citizen inconvenience because of delays in issuing licenses by mail.

No cost of personnel to type letters to drivers that have to return for re-photographing because driver blinked, bad film, processing error, operator error, exposed film, film lost in mail, finished license lost in mail, equipment malfunction.

No cost of stationery, envelopes, and postage for recall letters.

No cost of personnel to handle inquiries from irate drivers regarding licenses that are delayed or could not be issued.

No cost of correspondence to drivers that receive licenses with their eyes closed.

No cost of space for laboratory if located on state property for security reasons.

No cost of personnel to centrally control quality of photo licenses.

No cost of maintaining negative file.

All film, cameras, laminate, and other necessary supplies are drop shipped to each location and prepaid by Polaroid Corporation.