



COMMONWEALTH of VIRGINIA

Department of Motor Vehicles
2300 West Broad Street

Richard D. Holcomb
Commissioner

Post Office Box 27412
Richmond, VA 23269-0001

January 3, 2020

The Honorable Charles W. Carrico, Sr.
Chairman, Transportation Committee
Senate of Virginia

The Honorable David E. Yancey
Chairman, Transportation Committee
Virginia House of Delegates

Re: Report on Electronic Credential Program and Fees Established by the Electronic Credentials Act, House Bill 2229 (Chapter 697, 2017 Acts of Assembly)

Dear Chairmen Carrico and Yancey:

With the passage of HB 2229 in the 2017 legislative session, the Department of Motor Vehicles (DMV) was authorized, but not required, to create an electronic credential system and issue electronic credentials to persons who hold a valid physical credential that DMV is authorized to issue. The Electronic Credentials Act creates standards for DMV in issuing, reviewing, and displaying electronic credentials, as well as providing that if DMV issues electronic credentials the agency shall charge a \$10 annual fee for each person who obtains an electronic credential and may charge reasonable fees for use of verification systems. House Bill 2229 (Chapter 697, 2017 Acts of Assembly) further required DMV to submit a report examining the electronic credential program and determining whether the fees adequately cover the costs of administering the additional responsibilities imposed by the Act. Accordingly, I submit to you this report of our progress.

Due to budget considerations and ongoing industry study on standards and best practices for electronic credentials nationwide, DMV has not yet implemented electronic credentials. The American Association of Motor Vehicle Administrators (AAMVA), DMV's trade organization, has been in the process of developing national standards for states that choose to implement an electronic credential or "mobile driver's license" system. As recently as April of 2019 AAMVA released its *Mobile Driver License (mDL) Implementation Guidelines* to provide guidance to states in pursuing a mobile driver's license solution. The AAMVA guidance addresses topics such as the components and different models for mobile drivers licensing, the technical qualifications required, and recommendations to help ensure mobile driver's license holder privacy.

DMV plans to incorporate the ability to issue electronic credentials with our next driver's license/identification card contract. Our current vendor contract ends December 14, 2022, and we have

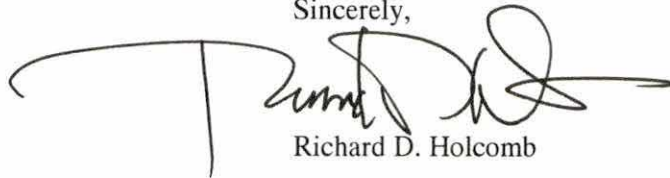
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already begun development of the request for proposals (RFP) for the next contract. DMV intends to incorporate mDL requirements in the new RFP that are consistent with AAMVA's implementation guidelines. DMV will be in a better position to evaluate the viability of the current fee structure once a vendor has been secured.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Holcomb", written over a large, stylized "T" shape that serves as a placeholder or part of the signature.

Richard D. Holcomb

cc: The Honorable David W. Marsden, Senator
The Honorable Delores L. McQuinn, Delegate