

**FY14 Budget Testimony (Senate Budget Committee)  
Raymond P. Martinez, Chairman and Chief Administrator**

Good morning Mr. Chairman and members of the committee. It is a pleasure to address the committee this morning about the New Jersey Motor Vehicle Commission's recent achievements and our plans for the year ahead.

Core mission is the foundation on which every endeavor, initiative and project pursued by the MVC has been built. Understanding who we serve and the level of performance we demonstrate when providing that service remains essential to our continued success as well.

Once again, the MVC is heading toward the end of another budget cycle where great progress has been made. Service and security projects that once languished in years past but were made a priority by this administration have come to fruition in the last year.

One of the most substantial and promising initiatives of late is Operation Facial Scrub, a new high-tech security endeavor aimed at further reducing fraud, protecting the integrity of our operations, and ensuring that our colleagues in law enforcement can have a high degree of confidence in the information that we provide and upon which they regularly rely.

Just over 14 months ago, the MVC's security team began weeding through and analyzing an initial scrub of our entire 19 million photo record database to systematically identify everything from simple record errors to egregious acts of fraud. I'm pleased to say we have come a long way since this work began and recently joined with Attorney General Chiesa as he announced the first wave of indictments to stem from Operation Facial Scrub.

In addition to working closely with our colleagues in the Division of Criminal Justice, we have also developed a coordinated effort through Operation Facial Scrub known as AIRS, the Aggregated Investigative Reporting Service. This is a system that allows information to be shared, strategically and securely, with local, state and federal government users in order to better coordinate criminal investigations based on the findings of Operation Facial Scrub. To date, over 750 cases have been shared through AIRS, and approved users have been allowed to match specific case information against their own agency data in order to better detect fraud and coordinate cases, when warranted.

I'm very pleased with our initial results and it is my hope to continue reporting more successes related Operation Facial Scrub in the months ahead. Enhanced security, however, is not the only benefit to come from our use of facial recognition technology. By solidifying our confidence in the security of our driver records, we have also been

able to introduce a new level of convenience for our customers – Skip the Trip: Renewals by Mail.

With the initial offer to skip the trip to an agency in November 2012 aimed at those 50 and older, the MVC sought to reduce the need for customers to visit an agency for a driver's license or ID renewal. From the start, we saw a very positive response from eligible customers and today we stand at more than 160,000 customers who have avoided the agency and simply conducted their transactions through the mail. We've been so pleased with the response that we have plans to expand the convenience of Skip the Trip to all eligible customers in the near future.

And while we're encouraging more and more transactions outside the traditional agency setting, there is still a need for facilities around our state to service customers, especially in heavily populated areas. This is why we continue to invest in full-service, modernized agencies built on state-owned land in key areas. The latest example of this is our new Bakers Basin Agency on Route 1 here in Mercer County, which replaced an antiquated 1950s era building. This effort of modernization will move next to the communities of Wayne and Newark where we will initiate plans for similar construction.

Additionally, we're moving forward with expansions and renovations in other critical areas outside of the Trenton area to provide greater convenience to customers. Our Paterson Agency will receive an upgrade as we increase space by more than 3,600 square feet in order to better accommodate our suspension and restoration services in the northern region. In Eatontown, the agency will receive a significant renovation as we modernize the site to improve operational workflow.

Our service accomplishments don't just end with Skip the Trip or facility enhancements. We also moved to reduce credit card processing fees for online motor vehicle transactions by 25 percent, as well as reduce the annual renewal fee for our sports-themed license plates by more than 50 percent. Public access to E-ZPass has also been expanded through our introduction of ready-to-use, On-the-Go kits that can be purchased at select MVC agencies.

In many of the improvements we make, personal motor vehicle services is the focus, but just as important are the many improvements we undertake for the countless businesses that rely on MVC to conduct their daily work. One of the most visible changes aids the state's 4,000 licensed auto dealers, as well as the law enforcement community. Through the introduction of a more secure electronic temporary vehicle registration system, the MVC has not only brought greater security and accountability to the issuance of these tags, but also provided dealers with a more streamlined process. We've eliminated the need for secure storage, enhanced document tracking and eliminated upfront payment for stacks of temp tags with our new print on demand process. And since these documents are all electronic, our partners in law enforcement can do something that was previously impossible with the old style paper tags: verify legitimacy in real-time like they can do with a permanent license plate.

Continuing our trend of utilizing technology to enhance MVC services, we are now moving forward with Electronic Lien Titling (ELT), an initiative supported by our partners in the financial services industry. With ELT, we plan on introducing a paperless process that will allow us to process lien information digitally. Program participants will receive an electronic transaction stating its financial interest in the vehicle thereby eliminating a paper title. Not only is this helpful to banks and credits unions but also to auto dealers that participate.

Whether we're dealing with our typical customer conducting a driver's license renewal or a trucking company registering a hundred of its vehicles, understanding the needs of a customer is essential. This is why the MVC has expanded its public outreach efforts in order to maintain and open line of communication with those who it serves. With our popular *Wisdom Behind the Wheel* mature driver program, I've had the opportunity to visit numerous senior communities around the state with partners from Highway Traffic Safety, DOT, AAA and others to have a conversation about safe driving at agency age. At functions with Rotary clubs, employer legislative committees, chamber of commerce and trade and professional associations business leaders have discussed with me what would help their industries excel. We work hand-in-hand with our law enforcement partners through regular meetings, as well as fraud training conducted by our knowledgeable security professionals.

These are but a few of the many ways that the MVC communicates with its customers. Each contact is a critical connection that demonstrates a commitment to service and also a means by which we can gather information that can be used to make us a better, more responsive organization. As I noted earlier, understanding who we serve remains essential to our continued success.

This is why during my tenure as MVC Chairman and Chief Administrator, with your support, I will continue to push this organization forward and make sure that it is well positioned for serving its customers in the decades ahead.

I want to thank Chairman Sarlo and members of this committee for the opportunity to testify today. I'm happy to answer any questions you may have.