

Subpart C: Granting and Maintaining Authorization

26.51 Applicability

This section of the final rule imposes no incremental cost and affords no saving because it merely states that Subpart C applies to: (1) the licensees and other entities identified in § 26.3(a) and (b) for the categories of individuals in § 26.4(a) through (d), and at the licensee's or other entity's discretion, the individuals in § 26.4(g) and, if necessary, § 26.4(j); (2) the licensees and other entities specified in § 26.3(c) for the categories of individuals in § 26.4(e) and, at the licensee's or entity's discretion, the categories of individuals identified in § 26.4(f), and; (3) the entities in § 26.4(d) to the extent that a licensee or other entity relies on the C/V to meet the requirements of this Subpart. This section also states that certain requirements in Subpart C apply to the individuals in § 26.4(h).

26.53 General Provisions

Paragraph 26.53(a)

This paragraph establishes categories of individuals applying for authorization and states that licensees must ensure that the requirements applicable for the individual's category have been met before granting authorization to initial authorizations, authorization updates, authorization reinstatements, and authorization with potentially disqualifying FFD information. This paragraph of the final rule is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003. As a result, the final paragraph imposes no incremental costs and affords no savings.

Sensitivity Analysis - Pre-Order Baseline

Relative to regulations that were in effect before the NRC issued the AAO, the paragraph indirectly results in incremental costs and savings for the different categories of applicants (as described in §§ 26.55, 26.57, 26.59, and 26.69 of the final rule). The incremental costs and savings that result from these differences are calculated in subsequent relevant sections of this analysis.

Paragraph 26.53(b)

This paragraph of the final rule defines new requirements for the beginning and ending dates of an individual's period of interruption of authorized status. The period of interruption begins on the day after authorization was previously terminated and ends with the day the licensee or other entity actually grants or denies authorization. Costs and savings associated with each category of authorization are presented below in the analysis of §§ 26.55, 26.57, and 26.59.

Paragraph 26.53(c)

This paragraph of the final rule imposes no incremental cost and affords no saving because it merely states that FFD training requirements must be met by an applicant for authorization before licensees can grant authorization, which parallels the requirements in paragraph 26.21(b) of the former rule.

Paragraph 26.53(d)

This paragraph of the final rule imposes no incremental cost and affords no saving because it merely clarifies that licensees and other entities seeking to grant authorization to an individual who is maintaining authorization under another FFD program may rely on that other program to satisfy the applicable requirements of this part. The receiving FFD program must ensure that the program elements to which the individual is subject under the transferring FFD program remain current. This practice is already allowed under § 26.23 and subparagraph 26.24(a)(1) of the former rule, as well as guidance contained in NUREG-1385, “Fitness for Duty in the Nuclear Power Industry: Responses to Implementation Questions.”

Paragraph 26.53(e)

This paragraph of the final rule allows licensees and other entities to rely on a C/V's FFD program or program elements when granting or maintaining the authorization of an individual who is or has been subject to the C/V's FFD program, if the C/V's program or program elements meet the applicable requirements of this part. This provision is a permissive relaxation of the former rule requirements providing licensees and other entities with flexibility to rely on a C/V's FFD program.

Subparagraph 26.53(e)(1)

This subparagraph of the final rule is a new requirement that allows a C/V's FFD program to grant and maintain an individual's authorization under the C/V's FFD program. The final subparagraph also states that only a licensee or other entity in § 26.3(a) through (c) may grant or maintain an individual's authorization to have the types of access or perform the duties specified in § 26.4(a) through (e) and (g), and, at the licensee's or other entity's discretion, § 26.4(f). Costs and savings associated with each category of authorization are presented below in the analysis of §§ 26.55, 26.57, and 26.59.

Subparagraph 26.53(e)(2)

This subparagraph of the final rule requires C/Vs to inform affected licensees and other entities of the denial or unfavorable termination of an individual's authorization if the individual is performing any duties for the licensee or other entity. This final subparagraph also requires the licensee and other entity to either deny or unfavorably terminate the individual's authorization to perform those duties on the day that the licensee or other entity receives the information from the C/V, or implement the applicable process set forth in § 26.69 in order to maintain the individual's authorization to perform those duties. This final paragraph imposes no incremental cost and affords no saving because this analysis assumes that C/Vs already share information regarding

access authorization denials and unfavorable terminations with licensees and other entities.

Subparagraph 26.53(e)(3)

This subparagraph of the final rule is a new requirement that allows a licensee or other entity to grant authorization to an individual or maintain an individual's authorization if the individual is maintaining authorization under a C/V's FFD program. The individual must continue to be subject to either the receiving FFD program or a combination of elements from the receiving FFD program and the C/V's program that collectively satisfy the applicable requirements of this part. The receiving licensee's or other entity's FFD program must ensure that the program elements to which the individual is subject under the C/V's FFD program remain current. This provision is a permissive relaxation of the former rule requirements providing licensees and other entities with flexibility to rely on a C/V's FFD program.

Paragraph 26.53(f)

This paragraph of the final rule establishes that licensees and other entities who are seeking to grant authorization to an individual who has been subject to an FFD program under Subpart K may not rely on that program or its program elements to meet the access authorization requirements of Subpart C, except if the program or program elements of the FFD program for construction satisfy the applicable requirements of Part 26. Costs and savings associated with each category of authorization are presented below in the analysis of §§ 26.55, 26.57, and 26.59.

Paragraph 26.53(g)

This paragraph of the final rule requires licensees and C/Vs to identify an individual's violations of FFD requirements to licensees who have relied on or intend to rely on the FFD program elements of which the individual is in violation. This paragraph of the final rule is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003. As a result, the final paragraph imposes no incremental costs and affords no savings.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does not result in any incremental costs. Although the final paragraph adopts provisions from the AAO that require licensees and C/Vs to identify an individual's violations of FFD requirements to licensees who have relied on or intend to rely on the FFD program elements of which the individual is in violation, this analysis assumes that licensees and C/Vs already share information regarding FFD violations. Therefore, the analysis anticipates that this new requirement will not result in any additional costs.

Paragraph 26.53(h)

This paragraph of the final rule prohibits licensees and other entities from initiating any actions

under Subpart C, such as beginning to gather information about the individual's authorization history from other licensees or entities, without the knowledge and consent of the individual who is applying for authorization. This paragraph of the final rule is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003. As a result, the final paragraph imposes no incremental costs and affords no savings.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does not result in any incremental costs. Although the final paragraph adopts provisions from the AAO that require licensees and other entities to gain an individual's consent before gathering information about the individual's authorization history, this analysis assumes that this is a standard business practice for licensees and other entities. Therefore, the analysis anticipates that this new requirement will not result in any additional costs.

Paragraph 26.53(i)

This paragraph of the final rule requires licensees to inform, in writing, individuals who are applying for authorization that the following actions are sufficient cause for denial or unfavorable termination of authorization: (1) refusal to provide written consent for the suitable inquiry; (2) refusal to provide or the falsification of any personal information; (3) refusal to provide written consent for the sharing of personal information with other licensees or C/Vs; (4) failure to report any legal actions. This paragraph of the final rule contains access authorization requirements established in 10 CFR 73.56, as supplemented by orders to nuclear power plant licensees dated January 7, 2003. Therefore, this paragraph of the final rule does not impose any incremental costs on licensees.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph results in incremental costs. The final paragraph adopts provisions from the AAO that require licensees and other entities to inform, in writing, individuals applying for authorization of actions that are sufficient cause for denial or unfavorable termination of authorization. This analysis calculates the one-time cost associated with developing a written notification document as part of the one-time costs calculated in § 26.27(a), Written Policy and Procedures.

26.55 Initial Authorization

Paragraph 26.55(a)

This paragraph of the final rule establishes that an initial applicant is any individual who either has never held authorization or whose authorization was terminated favorably and has been interrupted for a period of 3 or more years. No incremental costs or savings result from this provision because it is based on non-safeguards information requirements imposed by the NRC's

Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations in effect before the NRC issued the AAO, the paragraph indirectly results in incremental costs and savings because it imposes different requirements for the different categories of applicants than does the former rule. The incremental costs and savings associated with these changes are presented and calculated in the subparagraphs below.

Subparagraph 26.55(a)(1)

This subparagraph of the final rule requires licensees to ensure that self-disclosures have been obtained and reviewed, as described by § 26.61, from applicants for initial authorization before granting authorization. This final paragraph imposes no incremental cost and affords no saving because, under provisions of the AAO, applicants for unescorted access are subject to similar self-disclosure requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph, in conjunction with subparagraph 26.61(a)(1), does result in incremental savings. The savings result from provisions that state that applicants for initial authorization whose last authorization was terminated favorably and who have been covered by a behavioral observation and arrest-reporting program throughout the period of interruption do not need to submit self-disclosures to licensees and other entities. The *annual saving per program* results from the *sum* of the following savings:

- The annual saving per program from reduced facility worker labor burden for those initial applicants who qualify for the self-disclosure relaxation is estimated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The annual saving per program resulting from a reduced clerical personnel labor burden (because fewer self-disclosures submitted by initial applicants will need to be processed) is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Clerical} \times WAGE_{Clerical} \times NUM_{Units}$$

Parameter	Description
HOURS _{Clerical}	Clerical personnel hours saved in a self-disclosure (as described in assumptions below)
HOURS _{Worker}	Facility worker hours saved in a self-disclosure (as described in assumptions below)

Parameter	Description
NUM _{Applicants}	Annual number of applicants for initial authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of NUM _{Applicants} who qualify for the relaxation (as described in assumptions below)
WAGE _{Clerical}	Clerical personnel wage rate (as described in Appendix 2, Exhibit A2-11)
WAGE _{Worker}	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage NUM_{Applicants} who qualify for the relaxation: 50%.
- Facility worker hours saved in a self-disclosure: 0.25 hours per update.
- Clerical personnel hours saved in a self-disclosure: 0.25 hours per update.

Subparagraph 26.55(a)(2)

This subparagraph of the final rule requires licensees to ensure that a suitable inquiry has been completed, as described by § 26.63, on applicants for initial authorization before granting authorization. This final subparagraph imposes no incremental cost and affords no saving because, under provisions in the AAO, applicants for unescorted access are subject to similar suitable inquiry requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph, in conjunction with subparagraph 26.63(a), does result in incremental savings. The savings result from provisions that state that licensees and other entities do not need to conduct suitable inquiries on applicants for initial authorization whose last authorization was terminated favorably and who have been covered by a behavioral observation and arrest-reporting program throughout the period of interruption. The *annual saving per program* from not conducting the suitable inquiry on initial applicants qualifying for the relaxation results from the following:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	HR personnel hours saved per applicant due to the relaxation of a suitable inquiry under former rule, but prior to the AAO (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for initial authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)

PER _{Qualify}	Percentage of NUM _{Applicants} who qualify for the behavioral observation relaxation (as described in assumptions below)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of NUM_{Applicants} who qualify for the behavioral observation relaxation: 50%.
- HR personnel hours saved in the relaxation of a suitable inquiry under the former rule, but prior to the AAO: 1 hour per inquiry.

In addition, the final subparagraph, in conjunction with subparagraph 26.63(f)(1), results in additional incremental savings relative to the regulations in effect before the NRC issued the AAO. The savings result from provisions that reduce the licensees' labor burden to conduct suitable inquiries on applicants that have not identified any potentially disqualifying FFD information on their self-disclosures. This labor burden is reduced in three ways by (1) reducing the time period that the suitable inquiry must cover from 5 years under the former rule to 3 years, if no potentially disqualifying information is identified, (2) requiring licensees to contact only those employers whom the applicant identified as having worked for the longest in a given calendar month during the first and second years of the 3 year period,¹ and (3) by allowing licensees to take credit for a portion of the suitable inquiry that has been conducted by other licensees. The *annual saving per program* due to the reduced suitable inquiry coverage period and scope for those initial applicants qualifying for the relaxation results from the following:

$$NUM_{Applicants} \times PER_{Not\ Qualifying} \times PER_{Non-PDFDI} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	HR personnel hours saved per applicant as a result of the reduced suitable inquiry coverage period and the reduced number of employers who must be contacted (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for initial authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Not Qualifying}	Percentage of applicants for initial authorization per year who do not qualify for the behavioral observation relaxation under subparagraph 23.63(a) (as described in assumptions below)
PER _{Non-PDFDI}	Percentage of NUM _{Applicants} who have no potentially disqualifying FFD information to disclose on their self-disclosures (as described in assumptions below)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

¹ Licensees must contact all employers for the year immediately preceding the request for authorization, as required by subparagraph 26.63(f)(1).

- Percentage of applicants for initial authorization per year who do not qualify for the behavioral observation relaxation: 50%
- Percentage of $NUM_{Applicants}$ who have no potentially disqualifying FFD information to disclose on their self-disclosures: 95%
- Hours of HR personnel time saved per applicant as a result of the reduced suitable inquiry coverage period and the reduced number of employers who must be contacted: 0.5 hours.

Sensitivity Analysis - Industry Practices

The former rule stipulated that a suitable inquiry must address all employers for whom the applicant worked over the past 5 years. Nonetheless, until recently, industry practices were inconsistent with NRC’s interpretation of the requirements such that licensees conducting suitable inquiries did not call those employers for whom an applicant worked for less than 30 days. As a result, licensees will incur an incremental cost to comply with requirements in the former rule regarding applicants for initial authorization. The *annual cost per program* to conduct a more thorough suitable inquiry on applicants for initial authorization to comply with the former regulation results from the following:

$$NUM_{Applicants} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
$HOURS_{HR}$	Additional HR personnel hours required to conduct a suitable inquiry consistent with former regulations (as described in assumptions below)
$NUM_{Applicants}$	Annual number of applicants for initial authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units at a given program (as described in Appendix 2, Exhibit A2-14)
$WAGE_{HR}$	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Additional HR personnel hours required to conduct a suitable inquiry consistent with former regulations: 10 minutes (a 20-percent increase over the current estimate of 50 minutes per applicant).

Subparagraph 26.55(a)(3)

This subparagraph of the final rule requires licensees to administer a pre-access drug and alcohol test, as described in § 26.65, on applicants for initial authorization before granting authorization. This final subparagraph imposes no incremental cost and affords no saving because, under provisions of the AAO, applicants for unescorted access are subject to similar drug and alcohol testing requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph, in conjunction with paragraph 26.65(c), does result in incremental savings. The savings result from provisions that allow licensees and other entities to grant authorization without administering a pre-access drug and alcohol test to applicants whose previous authorization was terminated favorably and who have been covered by both a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest reporting program throughout the period of interruption.² The *annual saving per program* results from the sum of the following savings:

- The annual saving per program from not administering a pre-access drug and alcohol test on initial applicants covered by both a random drug and alcohol testing program and a behavioral observation and arrest-reporting program throughout the period of interruption is calculated as follows:³
 - Pre-access drug and alcohol tests need not be performed at facilities with onsite testing laboratories for the percentage of applicants who are covered by both a random drug and alcohol testing program and a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption. The associated savings are estimated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times COST_{Onsite} \times NUM_{Units}$$

- Pre-access drug and alcohol tests need not be performed at facilities with offsite testing laboratories for the percentage of applicants who are covered by both a random drug and alcohol testing program and a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times COST_{Offsite} \times NUM_{Units}$$

- The annual saving per program from bypassing required worker labor in the administration of a pre-access drug and alcohol tests for initial applicants covered by both a random drug and alcohol testing program and a behavioral observation and arrest-reporting is calculated as follows:

² In conjunction with § 26.65, licensees and other entities are also allowed to grant authorization without administering a pre-access drug and alcohol test to applicants relying upon negative results from drug and alcohol tests conducted before the individual applied for authorization if the individual has been subject to a behavioral observation and arrest reporting program and a random drug and alcohol testing program since the testing was conducted. This provision, however, will not generate any savings that are not already captured by the calculation of savings for § 26.65(b).

³ The incremental savings from this provision will vary per individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

Parameter	Description
COST _{Offsite}	Pre-access drug and alcohol testing cost at a facility with offsite testing laboratories (described in the assumption below and in Appendix 2, Exhibit A2-13)
COST _{Onsite}	Pre-access drug and alcohol testing cost at a facility with onsite testing laboratories (described in the assumptions below and in Appendix 2, Exhibit A2-13)
HOURS _{Offsite Worker}	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
HOURS _{Onsite Worker}	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for initial authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of NUM _{Applicants} who qualify for the pre-access drug and alcohol test relaxation per year (as described in assumptions below)

Assumptions:

- Percentage of NUM_{Applicants} who qualify for the pre-access drug and alcohol test relaxation per year: 25%.
- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per reinstatement.⁴
- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.

⁴Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

- The per-unit cost of an *onsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratories costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- Applicants who qualify for the relaxation are not expected to yield positive drug and alcohol test results under the former regulations.

Subparagraph 26.55(a)(4)

This subparagraph of the final rule adds provisions that require licensees and other entities to include applicants for initial authorization in a random drug and alcohol testing pool, in accordance with § 26.67. Licensees and other entities are expected to use the same random testing pool for this purpose as specified under subparagraph 26.31(d)(2). Licensees and other entities must administer a drug and alcohol test on those applicants randomly selected, although authorization can be granted before results have been verified provided that all other applicable requirements for authorization have been met. The former rule did not contain these provisions.

The *annual cost per program* from the implementation of a random drug and alcohol testing program on initial applicants in applicant status is calculated as follows:⁵

- The final paragraph increases the number of random drug and alcohol tests performed at facilities with *onsite testing laboratories*. The associated costs are estimated as follows:

$$NUM_{Applicants} \times PER_{Random} \times COST_{Onsite} \times NUM_{Units}$$

- The final paragraph increases the number of random drug and alcohol tests performed at facilities with *offsite testing laboratories*. The associated costs are calculated as follows:

⁵ The costs from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

$$NUM_{Applicants} \times PER_{Random} \times COST_{Offsite} \times NUM_{Units}$$

Parameter	Description
$COST_{Offsite}$	Offsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{Onsite}$	Onsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$NUM_{Applicants}$	Annual number of applicants for initial authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER_{Random}	Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing (as described in assumptions below)

Assumptions:

- Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing: 1.0%.⁶
- The per-unit cost of an *onsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

Paragraph 26.55(b)

This paragraph of the final rule requires licensees and other entities to take the management action specified in § 26.69 when potentially disqualifying FFD information is disclosed or discovered for an applicant for initial authorization. This final paragraph imposes no incremental cost and affords no saving because, under § 26.27 of the former rule, applicants for unescorted access were subject to similar requirements. These management actions are further discussed in relevant sections of the analysis.

⁶ This figure is calculated by assuming that on any given day an individual in applicant status has a chance of being selected equivalent to the following: (1 day / 365 days) x required annual testing rate of 50% x number of days in applicant status. Initial applicants are assumed to be in applicant status for an average period of 7 days.

26.57 Authorization Update

Paragraph 26.57(a)

This paragraph of the final rule establishes that an update applicant is any individual whose authorization has been interrupted for more than 365 days but less than 3 years and whose last period of authorization was terminated favorably. No incremental costs or savings result from this provision, however, because it is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations in effect before the NRC issued the AAO, the paragraph indirectly results in incremental costs and savings because it imposes different requirements for the different categories of applicants than does the former rule. The incremental costs and savings associated with these changes are presented and calculated in the subparagraphs below.

Subparagraph 26.57(a)(1)

This subparagraph of the final rule requires licensees to ensure that self-disclosures have been obtained and reviewed, as described by § 26.61, from applicants updating authorization before granting authorization. This final paragraph imposes no incremental cost and affords no saving because, under § 26.27(a)(1) of the former rule and provisions of the AAO, applicants for unescorted access were subject to similar self-disclosure requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph, in conjunction with subparagraph 26.61(a)(1), does result in incremental savings. The savings result from provisions that state that update authorization applicants whose last authorization was terminated favorably and who have been covered by a behavioral observation and arrest-reporting program throughout the period of interruption do not need to submit self-disclosures to licensees and other entities. The *annual saving per program* results from the *sum* of the following savings:

- The annual saving per program from reduced facility worker labor burden for those applicants for updated authorization who qualify for the self-disclosure relaxation is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The annual saving per program resulting from reduced clerical personnel labor burden (because fewer self-disclosures submitted by applicants for updated authorization will need to be processed) is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Clerical} \times WAGE_{Clerical} \times NUM_{Units}$$

Parameter	Description
HOURS _{Clerical}	Clerical personnel hours saved in a self-disclosure (as described in assumptions below)
HOURS _{Worker}	Facility worker hours saved in a self-disclosure (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization updates per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of applicants for authorization updates who qualify for the relaxation (as described in assumptions below)
WAGE _{Clerical}	Clerical personnel wage rate (as described in Appendix 2, Exhibit A2-11)
WAGE _{Worker}	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of applicants for authorization updates who qualify for the relaxation: 50%.
- Facility worker hours saved in a self-disclosure: 0.25 hours per update.
- Clerical personnel hours saved in a self-disclosure: 0.25 hours per update.

Subparagraph 26.57(a)(2)

This subparagraph of the final rule requires licensees to ensure that a suitable inquiry has been completed, as described by § 26.63, on applicants updating authorization. This final subparagraph imposes no incremental cost and affords no saving because, under § 26.27 of the former rule and provisions in the AAO, applicants for unescorted access were subject to similar suitable inquiry requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph, in conjunction with subparagraph 26.63(a), does result in incremental savings. The savings result from provisions that state that licensees and other entities do not need to conduct suitable inquiries on update applicants whose last authorization was terminated favorably and who have been covered by a behavioral observation and arrest-reporting program throughout the period of interruption. The *annual saving per program* from not conducting the suitable inquiry on applicants for updated authorization qualifying for the relaxation results from the following:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
$HOURS_{HR}$	HR personnel hours saved per applicant due to the relaxation of a suitable inquiry under former rule, but prior to the AAO (as described in assumptions below)
$NUM_{Applicants}$	Annual number of applicants for authorization updates per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
$PER_{Qualify}$	Percentage of applicants for authorization updates who qualify for the behavioral observation relaxation (as described in assumptions below)
$WAGE_{HR}$	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of applicants for authorizations updates who qualify for the behavioral observation relaxation: 50%.
- HR personnel hours saved in the relaxation of a suitable inquiry under the former rule, but prior to the AAO: 1 hour per inquiry.

In addition to the relaxation discussed above, additional incremental savings result from this final subparagraph, in conjunction with paragraph 26.63(b) and subparagraph 26.63(f)(2) relative to the regulations that were in effect before the NRC issued the AAO. These savings result from provisions that reduce the licensee labor burden to conduct a suitable inquiry on individuals who have no potentially disqualifying FFD information to disclose and who do not qualify for the relaxation discussed above. The scope of the suitable inquiry is reduced in three ways: (1) by reducing the time period required to be covered by the suitable inquiry from 5 years under the former rule to the period since authorization was last terminated favorably, (2) by requiring licensees to contact only those employers whom the applicant identified as having worked for the longest in a given calendar month after the first year of interruption (for which licensees must contact all employers, regardless of the duration of employment) until authorization was terminated, and (3) by allowing licensees to take credit for a portion of the suitable inquiry that has been conducted by other licensees. The *annual saving per program* due to the reduced suitable inquiry coverage period and scope for applicants for updated authorization qualifying for the relaxation results from the following:

$$NUM_{Applicants} \times PER_{Not\ Qualifying} \times PER_{Non-PDFDI} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
$HOURS_{HR}$	Hours of HR personnel time saved per suitable inquiry as a result of the reduced coverage period and number of employees who must be contacted (as described in assumptions below)
$NUM_{Applicants}$	Annual number of applicants for updated authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Unit}	Number of units per program (as described in Appendix 2, Exhibit A2-14)

Parameter	Description
PER _{Non-PDFDI}	Percentage of NUM _{Applicants} who have no potentially disqualifying FFD information to disclose on their self-disclosures (as described in assumptions below)
PER _{Not Qualifying}	Percentage of applicants for updated authorization per year who do not qualify for the relaxation under subparagraph 26.63(a) (as described in assumptions below)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of NUM_{Applicants} who have no potentially disqualifying FFD information to disclose on their self-disclosures: 98%.
- Percentage of applicants for updated authorization per year who do not qualify for the relaxation under subparagraphs 26.63(a): 50%.
- Hours of HR personnel time saved per suitable inquiry as a result of the reduced scope of coverage: 0.5 hours.

Sensitivity Analysis - Industry Practices

The former regulation stipulated that a suitable inquiry must address all employers for whom applicants for authorization updates worked over the past 5 years. Nonetheless, until recently, industry practices were inconsistent with the NRC’s interpretation of the requirements such that licensees conducting suitable inquiries did not call those employers for whom an applicant worked for less than 30 days. As a result, licensees will incur an incremental cost to comply with former requirements for suitable inquiries. The *annual cost per program* to conduct a more thorough suitable inquiry on applicants for updated authorization to comply with the former regulation results from the following:

$$NUM_{Applicants} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	Additional HR personnel hours required to conduct suitable inquiries consistent with former regulations (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization updates per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Additional HR personnel hours required to conduct suitable inquiries consistent with former regulations: 10 minutes (i.e., a 20-percent increase over the current estimate of 50 minutes per applicant).

Subparagraph 26.57(a)(3)

This subparagraph of the final rule requires licensees to administer a pre-access drug and alcohol test, as described in § 26.65, on applicants updating authorization before granting authorization. This final subparagraph imposes no incremental cost and affords no saving because, under § 26.24(a) of the former rule and provisions of the AAO, applicants for unescorted access were subject to similar drug and alcohol testing requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph, in conjunction with paragraph 26.65(c), does result in incremental savings. The savings result from provisions that allow licensees and other entities to grant authorization without administering a pre-access drug and alcohol test to applicants whose previous authorization was terminated favorably and who have been covered by both a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest reporting program throughout the period of interruption.⁷ The *annual saving per program* results from the sum of the following savings:

- The annual saving per program from not administering a pre-access drug and alcohol test on update applicants covered by both a random drug and alcohol testing program and a behavioral observation and arrest-reporting program throughout the period of interruption is calculated as follows:⁸
 - Pre-access drug and alcohol tests need not be performed at facilities with onsite testing laboratories for the percentage of applicants who are covered by both a random drug and alcohol testing program and a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption. The associated savings are estimated as follows:
$$NUM_{Applicants} \times PER_{Qualify} \times COST_{Onsite} \times NUM_{Units}$$
 - Pre-access drug and alcohol tests need not be performed at facilities with offsite testing laboratories for the percentage of applicants who are covered by both a random drug and alcohol testing program and a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption. The associated savings are

⁷ In conjunction with § 26.65, licensees and other entities are also allowed to grant authorization without administering a pre-access drug and alcohol test to applicants relying upon negative results from drug and alcohol tests conducted before the individual applied for authorization if the individual has been subject to a behavioral observation and arrest reporting program and a random drug and alcohol testing program since the testing was conducted. This provision, however, will not generate any savings that are not already captured by the calculation of savings for § 26.65(b).

⁸ The incremental savings from this provision will vary per individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times COST_{Offsite} \times NUM_{Units}$$

- The annual saving per program from bypassing required worker labor in the administration of a pre-access drug and alcohol tests for update applicants covered by both a random drug and alcohol testing program and a behavioral observation and arrest-reporting is calculated as follows:

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

Parameter	Description
$COST_{Offsite}$	Pre-access drug and alcohol testing cost at a facility with offsite testing laboratories (described in the assumption below and in Appendix 2, Exhibit A2-13)
$COST_{Onsite}$	Pre-access drug and alcohol testing cost at a facility with onsite testing laboratories (described in the assumptions below and in Appendix 2, Exhibit A2-13)
$HOURS_{Offsite\ Worker}$	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$HOURS_{Onsite\ Worker}$	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$NUM_{Applicants}$	Annual number of applicants for authorization updates per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
$PER_{Qualify}$	Percentage of $NUM_{Applicants}$ who qualify for the pre-access drug and alcohol test relaxation per year (as described in assumptions below)

Assumptions:

- Percentage of $NUM_{Applicants}$ who qualify for the pre-access drug and alcohol test relaxation per year: 25%.
- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per

reinstatement.⁹

- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.
- The per-unit cost of an *onsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratories costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- Applicants who qualify for the relaxation are not expected to yield positive drug and alcohol test results under the former regulations.

Subparagraph 26.57(a)(4)

This subparagraph of the final rule adds provisions that require licensees and other entities to include applicants for updated authorization in a random drug and alcohol testing pool, under § 26.67. Licensees and other entities are expected to use the same random testing pool for this purpose as is specified under subparagraph 26.31(d)(2) of the final rule. Licensees and other entities must administer a drug and alcohol test on those applicants randomly selected, although applicants can be granted authorization before results have been verified, provided that all other applicable requirements for authorization have been met.

The *annual cost per program* due to the increase in the number of random drug and alcohol tests performed on applicants for updated authorization is calculated as follows:¹⁰

- The final paragraph increases the number of random drug and alcohol tests performed at facilities with *onsite testing laboratories*. The associated costs are estimated as follows:

⁹ Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

¹⁰ The costs from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

$$NUM_{Applicants} \times PER_{Random} \times COST_{Onsite} \times NUM_{Units}$$

- The final paragraph increases the number of random drug and alcohol tests performed at facilities with *offsite testing laboratories*. The associated costs are calculated as follows:

$$NUM_{Applicants} \times PER_{Random} \times COST_{Offsite} \times NUM_{Units}$$

Parameter	Description
$COST_{Offsite}$	Offsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{Onsite}$	Onsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$NUM_{Applicants}$	Annual number of applicants for updated authorization per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER_{Random}	Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing (as described in assumptions below)

Assumptions:

- Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing: 1.0%.¹¹
- The per-unit cost of an *onsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

Paragraph 26.57(b)

¹¹ This figure is calculated by assuming that on any given day, an individual in applicant status has a chance of being selected equivalent to the following: (1 day / 365 days) x required annual testing rate of 50% x number of days in applicant status. Initial applicants are assumed to be in applicant status for an average period of 7 days.

This paragraph of the final rule requires licensees and other entities to take the management action specified in § 26.69 when potentially disqualifying FFD information is disclosed or discovered for an applicant for updated authorization. This final paragraph imposes no incremental cost and affords no saving because, under § 26.27 of the former rule, applicants for unescorted access were subject to similar requirements. These management actions are further discussed in relevant sections of the analysis.

26.59 Authorization Reinstatement

Paragraph 26.59(a)

This paragraph of the final rule [including subparagraphs 26.59(a)(1) – (3)] addresses reinstatement applicants with an interruption of more than 30 days but not more than 365 days and whose last period of authorization was terminated favorably. No incremental costs or savings result from this provision, however, because it is based on non-safeguards information requirements imposed by the NRC’s Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations in effect before the NRC issued the AAO, the paragraph indirectly results in incremental costs and savings because it imposes different requirements for the different categories of applicants relative to the requirements of the former rule. These incremental costs and savings are presented and calculated in the subparagraphs below.

Subparagraph 26.59(a)(1)

This subparagraph of the final rule requires licensees to ensure that self-disclosures have been obtained and reviewed, as described by § 26.61, from applicants for reinstatement authorization with an interruption of more than 30 days but not more than 365 days, before granting authorization. This final subparagraph imposes no incremental cost and affords no saving because, under § 26.27 of the former rule and provisions of the AAO, applicants for unescorted access were subject to similar self-disclosure requirements.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph, in conjunction with subparagraph 26.61(a)(1), does result in incremental savings. The savings result from provisions that state that previously authorized applicants whose last authorizations were terminated favorably and who have been covered by a behavioral observation and arrest-reporting program throughout the period of interruption do not need to submit self-disclosures to licensees and other entities. The *annual saving per program* results from the *sum* of the following savings:

- The annual saving per program from reduced facility worker labor burden for

those applicants for authorization reinstatement who qualify for the self-disclosure relaxation is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The annual saving per program from reduced clerical personnel labor burden (because fewer self-disclosures submitted by applicants for authorization reinstatement will need to be processed) is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Clerical} \times WAGE_{Clerical} \times NUM_{Units}$$

Parameter	Description
HOURS _{Clerical}	Clerical personnel hours saved in a self-disclosure (as described in assumptions below)
HOURS _{Worker}	Facility worker hours saved in a self-disclosure (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of more than 30 days but not more than 365 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of applicants for authorization reinstatement who qualify for the relaxation (as described in assumptions below)
WAGE _{Clerical}	Clerical personnel wage rate (as described in Appendix 2, Exhibit A2-11)
WAGE _{Worker}	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of applicants for authorization reinstatements who qualify for the relaxation: 50%.
- Facility worker hours saved in a self-disclosure: 0.25 hours per update.
- Clerical personnel hours saved in a self-disclosure: 0.25 hours per update.

Subparagraph 26.59(a)(2)

This subparagraph of the final rule requires licensees to ensure that a suitable inquiry has been completed, as described by § 26.63, on applicants for reinstatement authorization with an interruption of more than 30 days but not more than 365 days, before granting authorization. This final subparagraph imposes no incremental cost and affords no saving because, under § 26.27 of the former rule, applicants for unescorted access were subject to similar suitable inquiry requirements. The final subparagraph also adopts provisions from the NRC’s AAO that (1) eliminate the suitable inquiry requirement for the subset of applicants whose previous authorization was terminated favorably and who have been covered by a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption [in

conjunction with 26.63(a)], (2) reduce the labor burden associated with conducting a suitable inquiry, and (3) allow licensees to grant authorization prior to the completion of a suitable inquiry, provided that it is completed within 10 business days. There is no incremental savings from these provisions, except under the alternative Pre-Order Baseline as discussed below, because they are based on non-safeguards information requirements imposed by the NRC’s AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations in effect before the NRC issued the AAO, the subparagraph does result in incremental savings by not requiring suitable inquiries for reinstatement applicants with interruptions of 31–365 days if their last authorization was terminated favorably and they were covered by a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption. The *annual saving per program* from not conducting the suitable inquiry on applicants for authorization reinstatement qualifying for the relaxation results from the following:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	HR personnel hours saved per applicant by not conducting a suitable inquiry due to the relaxation (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants per unit for authorization reinstatement with interruption of more than 30 days but not more than 365 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of NUM _{Applicants} covered by a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption (as described in assumptions below)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of authorization reinstatement applicants who qualify for the behavioral observation relaxation: 50%.
- HR personnel hours saved per applicant by not conducting a suitable inquiry due to the relaxation: 1 hour per suitable inquiry.

In addition to the relaxation discussed above, this subparagraph of the final rule, in conjunction with paragraph 26.63(b) and 26.63(f)(3), adopts provisions from the NRC’s AAO that result in incremental savings by reducing the scope (and associated labor burden) of the suitable inquiry for reinstatement applicants with interruptions of 31–365 days who have no potentially disqualifying FFD information to disclose and who do not qualify for the relaxations discussed above. The scope is reduced in three ways: (1) by reducing the time period required to be

covered by the suitable inquiry from 5 years under the former rule to the period since authorization was last terminated favorably, (2) by requiring licensees to contact only those employers whom the applicant identified as having worked for the longest in a given calendar month (as opposed to all employers under the former rule), and (3) by allowing licensees to take credit for a portion of the suitable inquiry that has been conducted by other licensees. The *annual saving per program* due to the reduced suitable inquiry coverage period and scope for applicants for authorization reinstatement qualifying for the relaxation results from the following:

$$NUM_{Applicants} \times PER_{Not\ Qualifying} \times PER_{Non-PDFFDI} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	Hours of HR personnel time saved per suitable inquiry due to reduced suitable inquiry coverage period and a reduction in the number of employees that must be contacted (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants per unit for authorization reinstatement with interruption of more than 30 days but not more than 365 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Non-PDFFDI}	Percentage of NUM _{Applicants} who have no potentially disqualifying FFD information to disclose on their self-disclosures (as described in assumptions below)
PER _{Not Qualifying}	Percentage of NUM _{Applicants} not covered by a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption (as described in assumptions below)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of NUM_{Applicants} not covered by a licensee-approved behavioral observation and arrest-reporting program throughout the period of interruption: 50%.
- Percentage of NUM_{Applicants} who have no potentially disqualifying FFD information to disclose on their self-disclosures: 99%.
- Hours of HR personnel time saved per suitable inquiry as a result of the reduced scope of coverage: 0.5 hours.

In addition to the relaxation discussed above, this final subparagraph adopts provisions from the AAO that allow for applicants for authorization reinstatement with an interruption of 31–365 days to be granted authorization *prior to* the completion of a suitable inquiry, provided that the inquiry is completed within 10 business days of granting reinstated authorization. If after 10 business days the suitable inquiry has not been completed, authorization must be administratively withdrawn until it is completed. This provision does not change the activities

that must be conducted. It could lead to savings, however, by reducing the amount of lost worker productivity while awaiting completion of the inquiry. The analysis assumes, however, that workers are engaged in other work-related activities (such as training, testing, and other non-FFD-related activities) that do not require authorization while the suitable inquiry is being conducted.

Sensitivity Analysis - Industry Practices

The former regulation stipulated that a suitable inquiry must address all employers for whom applicants for authorization worked over the past 5 years. Nonetheless, until recently, industry practices were inconsistent with NRC’s interpretation of the requirements such that industry practice has been that licensees conducting suitable inquiries did not call employers for whom an applicant worked for 30 days or less. As a result, licensees should have incurred an incremental cost to comply with former requirements for suitable inquiries on applicants with an interruption of 31–365 days. The *annual cost per program* to conduct a more thorough suitable inquiry on applicants for authorization reinstatement to comply with the former regulation results from the following:

$$NUM_{Applicants} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	Additional HR personnel hours required to conduct a suitable inquiry consistent with the former regulations (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of more than 30 days but not more than 365 days (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Additional HR personnel hours required to conduct suitable inquiries consistent with the former regulations: 10 minutes (i.e., a 20-percent increase over the current estimate of 50 minutes per applicant).

Subparagraph 26.59(a)(3)

This subparagraph of the final rule requires licensees to administer a pre-access drug and alcohol test, as described in § 26.65, on applicants for reinstatement authorization with an interruption of more than 30 days but not more than 365 days, before granting authorization. The final subparagraph imposes no incremental cost and affords no saving because, under the former rule, applicants for unescorted access were subject to similar drug and alcohol testing requirements under 26.24(a). The final subparagraph does, however, adopt provisions from the NRC’s AAO that eliminate the pre-access drug and alcohol testing requirement for those applicants whose previous authorization was terminated favorably and who have been covered both by behavioral

observation and arrest program and by a licensee-approved random drug and alcohol testing program throughout the period of interruption. Other provisions adapted from the AAO allow licensees to grant authorization reinstatement to applicants prior to receiving verification of negative drug test results as long as verification occurs within 5 business days. If verification does not occur during this time frame, authorization must be administratively withdrawn until completed. There is no incremental savings from these provisions, except under the alternative *Pre-Order Baseline* as discussed below, because they are based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations in effect before the NRC issued the AAO, the subparagraph, in conjunction with § 26.65(d), does result in incremental saving. According to § 26.24 of the former rule as well as guidance provided by the NRC in NUREG-1385, "Fitness for Duty in the Nuclear Power Industry: Responses to Implementation Questions," licensees could not grant authorization without administering a drug and alcohol test and verifying negative test results. Provisions in this final rule, however, allow applicants for authorization reinstatement with an interruption of 31–365 days to forego pre-access drug and alcohol testing if covered by a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest reporting program throughout the period of interruption.¹² As a result, savings arise from the reduction in the number of pre-access tests administered and the reduction in the loss of worker productivity awaiting negative test results.

The *annual saving per program* results from the *sum* of the following savings:

- Annual saving per program from allowing reinstatement applicants covered by a random drug and alcohol testing program and a behavioral observation and arrest reporting program throughout the period of interruption to forego pre-access drug and alcohol testing is calculated as follows:¹³

- The final paragraph reduces the number of pre-access drug and alcohol tests performed at facilities with *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times COST_{Onsite} \times NUM_{Units}$$

- The final paragraph reduces the number of pre-access drug and alcohol

¹² In conjunction with § 26.65, licensees and other entities are also allowed to grant authorization without administering a pre-access drug and alcohol test to applicants relying upon negative results from drug and alcohol tests conducted before the individual applied for authorization if the individual has been subject to a behavioral observation and arrest reporting program and a random drug and alcohol testing program since the testing was conducted. This provision, however, will not generate any savings that are not already captured by the calculation of savings for § 26.65(b).

¹³ The incremental savings from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

tests performed at facilities with *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times COST_{Offsite} \times NUM_{Units}$$

- Annual saving per program from reducing the number of hours of lost worker productivity for reinstatement applicants covered by both a random drug and alcohol testing program and a behavioral observation and arrest reporting program is calculated as follows:¹⁴

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

Parameter	Description
COST _{Offsite}	Offsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
COST _{Onsite}	Onsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
HOURS _{Offsite Worker}	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
HOURS _{Onsite Worker}	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization with an interruption of more than 30 days but not more than 365 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of NUM _{Applicants} covered by a licensee approved random drug and alcohol testing program and a behavioral observation and arrest reporting program (as described in assumptions below)
WAGE _{Worker}	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

¹⁴ The incremental savings from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

- Percentage of $NUM_{Applicants}$ covered by a licensee approved random drug and alcohol testing program and behavioral observation and arrest reporting program: 25%.
- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per reinstatement.¹⁵
- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.
- The per-unit cost of an *onsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

In addition, this final subparagraph adopts provisions from the AAO that allow licensees to grant authorization reinstatement to applicants with interruptions of 31–365 days prior to receiving verification of negative drug test results as long as verification occurs within 5 business days of specimen collection. (This applies only to those applicants that must take a pre-access test, thereby excluding those covered by the preceding relaxation). Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period. *The annual saving per program* resulting from this group of applicants not having to await verification of negative results before granting authorization is calculated as follows:¹⁶

¹⁵ Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

¹⁶ The incremental savings from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

- The final paragraph decreases the number of hours of lost worker productivity awaiting negative test result verification from *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Not\ Qualifying} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph decreases the number of hours of lost worker productivity awaiting negative test result verification from *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Not\ Qualifying} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

Parameter	Description
HOURS _{Offsite Worker}	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
HOURS _{Onsite Worker}	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of more than 30 days but not more than 365 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Not Qualifying}	Percentage of NUM _{Applicants} not covered by a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest reporting program throughout the period of interruption (as described in assumptions below)
WAGE _{Worker}	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of NUM_{Applicants} not covered by a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest reporting program throughout the period of interruption: 75%.
- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per reinstatement.¹⁷
- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.

¹⁷ Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

Subparagraph 26.59(a)(4)

This subparagraph of the final rule adds provisions that require licensees and other entities to include applicants for reinstatement authorization with an interruption of more than 30 days but not more than 365 days in a random drug and alcohol testing pool, under § 26.67. Licensees and other entities are expected to use the same random testing pool for this purpose as specified under subparagraph 26.31(d)(2) of the final rule. Licensees and other entities must administer a drug and alcohol test on those applicants randomly selected. Authorization may be granted before results have been verified provided that all other applicable requirements for authorization have been met.

The *annual cost per program* to conduct random drug and alcohol tests on applicants randomly selected while awaiting the granting of authorization is calculated as follows:¹⁸

- The final paragraph increases the number of drug and alcohol tests performed at facilities with *onsite testing laboratories*. The associated costs are calculated as follows:

$$NUM_{Applicants} \times PER_{Random} \times COST_{Onsite} \times NUM_{Units}$$

- The final paragraph increases the number of pre-access drug and alcohol tests performed at facilities with *offsite testing laboratories*. The associated costs are calculated as follows:

$$NUM_{Applicants} \times PER_{Random} \times COST_{Offsite} \times NUM_{Units}$$

Parameter	Description
$COST_{Offsite}$	Offsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{Onsite}$	Onsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$NUM_{Applicants}$	Annual number of applicants for authorization reinstatement with an interruption of more than 30 days but not more than 365 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER_{Random}	Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing (as described in assumptions below)

Assumptions:

- Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing: 1.0%.¹⁹

¹⁸ The incremental savings from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

¹⁹ This figure is calculated by assuming that on any given day, an individual in applicant status has a chance

- The per-unit cost of an *onsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

- The per-unit cost of an *offsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

Paragraph 26.59(b)

This subparagraph of the final rule imposes no incremental cost and affords no saving because it is added to ensure that the administrative withdrawal of an individual’s authorization is not recorded as an unfavorable termination. No incremental costs or savings result from this provision, however, because it is based on non-safeguards information requirements imposed by the NRC’s Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003.

Paragraph 26.59(c)

This paragraph of the final rule [including subparagraphs 26.59(c)(1) – (3)] addresses reinstatement applicants with an interruption of no more than 30 days and whose last period of authorization was terminated favorably. No incremental costs or savings result from this provision, however, because it is based on non-safeguards information requirements imposed by the NRC’s Access Authorization Order (AAO) dated January 7, 2003, and published in the Federal Register on January 13, 2003.

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations in effect before the NRC issued the AAO, the paragraph indirectly results in incremental costs and savings because it imposes different requirements for the different categories of applicants relative to the requirements of the former rule. The incremental costs and savings associated with these changes are presented and calculated in the subparagraphs below.

of being selected equivalent to the following: (1 day / 365 days) x required annual testing rate of 50% x number of days in applicant status. The analysis assumed an average applicant status of 7 days. Applicants for reinstatement authorization, however, are likely to have a much shorter review period. Consequently, the analysis likely overstates these costs.

Subparagraph 26.59(c)(1)

This paragraph of the final rule requires licensees to ensure that self-disclosures have been obtained and reviewed, as described by § 26.61, from applicants for reinstatement authorization with an interruption of no more than 30 days. This final subparagraph imposes no incremental cost and affords no saving because, under the former rule, applicants for unescorted access were subject to similar self-disclosure requirements under § 26.27. In addition, the final paragraph does not require licensees and other entities to conduct suitable inquiries on these applicants, as required by the former rule under § 26.27. There are no incremental savings from this provision, except under the alternative *Pre-Order Baseline* as discussed below, because it is based on non-safeguards information requirements imposed by the NRC’s AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph, in conjunction with subparagraph 26.61(a)(1), does result in incremental savings. The savings result from provisions that state that previously authorized applicants whose last authorizations were terminated favorably and who have been covered by a behavioral observation and arrest-reporting program throughout the period of interruption do not need to submit self-disclosures to licensees and other entities. The *annual saving per program* results from the *sum* of the following savings:

- The annual saving per program from reduced facility worker labor burden for those applicants for authorization reinstatement who qualify for the self-disclosure relaxation is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The annual saving per program from reduced clerical personnel labor burden (because fewer self-disclosures submitted by applicants for authorization reinstatement will need to be processed) is calculated as follows:

$$NUM_{Applicants} \times PER_{Qualify} \times HOURS_{Clerical} \times WAGE_{Clerical} \times NUM_{Units}$$

Parameter	Description
HOURS _{Clerical}	Clerical personnel hours saved in a self-disclosure (as described in assumptions below)
HOURS _{Worker}	Facility worker hours saved in a self-disclosure (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of no more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Qualify}	Percentage of applicants for authorization updates who qualify for the relaxation

Parameter	Description
	(as described in assumptions below)
$WAGE_{Clerical}$	Clerical personnel wage rate (as described in Appendix 2, Exhibit A2-11)
$WAGE_{Worker}$	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of $NUM_{Applicants}$ who qualify for the relaxation: 50%.
- Facility worker hours saved in a self-disclosure: 0.25 hours per update.
- Clerical personnel hours saved in a self-disclosure: 0.25 hours per update.

In addition to the relaxation discussed above, the final subparagraph, like the AAO, but in contrast to the former rule, allows licensees and other entities to grant authorization reinstatement to applicants with interruptions of not more than 30 days without conducting a suitable inquiry. Under subparagraph 26.27(a)(2) of the former rule, licensees had to conduct a suitable inquiry on all applicants before granting authorization. The *annual saving per program* from not conducting the suitable inquiry on applicants for authorization reinstatement with an interruption of not more than 30 days results from the following:

$$NUM_{Applicants} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
$HOURS_{HR}$	HR personnel hours saved in suitable inquiries under former regulations (as described in assumptions below)
$NUM_{Applicants}$	Annual number of applicants for authorization reinstatement with an interruption of not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
$WAGE_{HR}$	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- HR personnel hours saved in suitable inquiries under former regulations: 1 hour per inquiry.
- Percentage of individuals who have potentially disqualifying FFD information is assumed to be negligible.

Sensitivity Analysis - Industry Practices

As previously noted, former subparagraph 26.27(a)(1) required licensees to obtain self-disclosures from applicants before granting authorization reinstatement. Nonetheless, until recently, industry practices were inconsistent with NRC's interpretation of the requirements such

that licensees did not consider it a requirement to obtain self-disclosures from applicants for reinstatement who have experienced an interruption of authorization of not more than 30 days. This fraction of licensees (assumed to be 50 percent) should have incurred additional costs to meet former requirements. The *annual cost per program* results from the sum of the following costs:²⁰

- The annual cost per program for applicants for authorization reinstatement with interruptions of not more than 30 days to submit self-disclosures to comply with self-disclosure requirements is estimated as follows:

$$NUM_{Applicants} \times PER_{Non-Compliance} \times HOURS_{Worker} \times WAGE_{Worker} \times NUM_{Unit}$$

- The annual cost per program for clerical personnel to process additional self-disclosures for applicants for authorization reinstatement with interruptions of not more than 30 days to comply with self-disclosure requirements is estimated as follows:

$$NUM_{Applicants} \times PER_{Non-Compliance} \times HOURS_{Clerical} \times WAGE_{Clerical} \times NUM_{Unit}$$

Parameter	Description
HOURS _{Clerical}	Clerical personnel hours required to process a self-disclosure (as described in assumptions below)
HOURS _{Worker}	Facility worker hours required to complete a self-disclosure (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Unit}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Non-Compliance}	Percentage of cost applied to a given program (as described in assumptions below)
WAGE _{Clerical}	Clerical personnel wage rate (as described in Appendix 2, Exhibit A2-11)
WAGE _{Worker}	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Facility worker hours required to complete a self-disclosure: 0.25 hours per self-disclosure.
- Clerical personnel hours required to process self-disclosure: 0.25 hours per self-disclosure.

²⁰ Based on current industry practices, this cost is expected to accrue to the 50 percent of facilities that have not previously interpreted the former rule as requiring a self-disclosure for applicants with an interruption of authorization of not more than 30 days. NRC believes that the remaining 50 percent of facilities interpreted the former FFD rule correctly, so costs for them should not be calculated. However, as the identity of licensees falling within the two groups is not known, this analysis assumes that 100 percent of facilities will incur costs of 50 percent of the calculated amount.

- Licensees have indicated that 50 percent of licensees did not interpret the former regulation as requiring a self-disclosure for applicants with interruptions of not more than 30 days. Because the analysis cannot identify which facilities are or are not appropriately interpreting the requirement, the analysis assumes that each unit will incur the incremental cost of 50 percent of the activity.

In addition to the incremental activities discussed above, some licensees should have conducted additional suitable inquiries. As previously noted, paragraph 26.27(a) of the former rule required licensees to conduct suitable inquiries on all reinstatement applicants before granting authorization. Nonetheless, until recently, many licensees did not consider it a requirement to conduct suitable inquiries on reinstatement applicants with interruptions of not more than 30 days. This fraction of licensees (assumed to be 50 percent) should have incurred additional costs to conduct suitable inquiries in a manner that meets former requirements. The *annual cost per program* to conduct suitable inquiries on applicants for authorization reinstatement with an interruption of not more than 30 days to comply with the former regulations results from the *sum* of the following costs:²¹

$$NUM_{Applicants} \times PER_{Non-Compliance} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	HR personnel hours saved in suitable inquiries under former regulations (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER _{Non-Compliance}	Percentage cost applied to a given program (as described in assumptions below)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- HR personnel hours required to conduct a suitable inquiry under former regulations: 1 hour per inquiry.
- Licensees have indicated that 50 percent of licensees did not interpret the former regulations as requiring a suitable inquiry to be conducted on applicants with interruptions of not more than 30 days. Because the analysis cannot identify which facilities are or are not appropriately interpreting the requirement, the analysis assumes that each facility will incur 50 percent of the incremental cost of

²¹ Based on current industry practices, this cost is expected to accrue to the 50 percent of facilities that have not previously interpreted the former rule as requiring a suitable inquiry to be conducted for reinstatement applicants with an interruption of not more than 30 days. The remaining 50 percent of facilities interpreted the former FFD rule correctly, costs for them should not be calculated. However, because data are not available regarding which specific facilities will incur costs, this analysis assumes that 100 percent of facilities will incur costs of 50 percent of the calculated amount.

the activity.

In addition to the incremental activities discussed above, some licensees also should have conducted more thorough suitable inquiries. As previously noted, the former regulation stipulated that a suitable inquiry must address all employers for whom applicants for authorization reinstatements worked over the past 5 years. Nonetheless, until recently, industry practice was that licensees conducting background investigations did not call those employers for whom an applicant worked for less than 30 days. As a result, the portion of licensees that are interpreting the former rules incorrectly should have incurred an incremental cost to comply with former requirements for suitable inquiries. The *annual cost per program* to conduct a more thorough suitable inquiry on applicants for authorization reinstatement with an interruption of 5 days or less to comply with the former regulation results from the following:

$$NUM_{Applicants} \times HOURS_{HR} \times WAGE_{HR} \times NUM_{Units}$$

Parameter	Description
HOURS _{HR}	Additional HR personnel hours required to conduct suitable inquiries consistent with the former regulation (as described in assumptions below)
NUM _{Applicants}	Annual number of applicants for authorization reinstatement with an interruption of not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM _{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
WAGE _{HR}	HR personnel wage rate (as described in Appendix 2, Exhibit A2-11)

Assumption:

- Additional HR personnel hours required to conduct suitable inquiries consistent with the former regulation: 10 minutes (i.e., a 20-percent increase over the current estimate of 50 minutes per applicant).

Subparagraph 26.59(c)(2)

This subparagraph of the final rule requires licensees and other entities to administer pre-access drug and alcohol testing on all applicants with an interruption of more than 5 days but not more than 30 days under § 26.65. This final paragraph imposes no incremental cost and affords no saving because, under the former rule, applicants for unescorted access were subject to similar drug and alcohol testing requirements under paragraph 26.24(a). The final paragraph does, however, allow licensees and other entities to forego the pre-access testing requirement for those applicants with an interruption of 5 days or less. There are no incremental savings from this provision, except under the alternative Pre-Order Baseline as discussed below, because it is based on non-safeguards information requirements imposed by the NRC’s AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph,

does result in incremental savings. The final subparagraph, like the AAO, but in contrast to the former rule, allows licensees to grant authorization reinstatement to applicants with interruptions of 5 days or less without administering a pre-access drug and alcohol test. According to § 26.24 of the former rule as well as guidance provided by the NRC in NUREG-1385, “Fitness for Duty in the Nuclear Power Industry: Responses to Implementation Questions,” licensees could not grant authorization without administering a drug and alcohol test and verifying negative test results. The *annual saving per program* associated with the administration of fewer pre-access drug and alcohol tests results from the *sum* of the following savings:²²

- The annual saving per program from not administering a pre-access drug and alcohol test on applicants for authorization reinstatement with an interruption of 5 days or less is calculated as follows:

- Pre-access drug and alcohol tests need not be performed at facilities with onsite testing laboratories. The associated savings are estimated as follows:

$$NUM_{Applicants} \times COST_{Onsite} \times NUM_{Units}$$

- Pre-access drug and alcohol tests need not be performed at facilities with offsite testing laboratories. The associated savings are calculated as follows:

$$NUM_{Applicants} \times COST_{Offsite} \times NUM_{Units}$$

- The annual saving per program from bypassing required worker labor in the administration of a pre-access drug and alcohol tests for applicants for authorization reinstatement with an interruption of 5 days or less is calculated as follows:

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph reduces the number of hours of lost worker productivity awaiting negative test result verification from *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

²² The incremental savings from this provision will vary per individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

Parameter	Description
$COST_{\text{Offsite}}$	Offsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{\text{Onsite}}$	Onsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$HOURS_{\text{Offsite Worker}}$	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$HOURS_{\text{Onsite Worker}}$	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$NUM_{\text{Applicants}}$	Annual number of applicants for authorization reinstatement with an interruption of 5 days or less per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
$WAGE_{\text{Worker}}$	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per reinstatement.²³
- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.
- The per-unit cost of an *onsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

²³ Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

- Applicants who qualify for the relaxation are not expected to yield positive drug and alcohol test results under the former regulations.

In addition to the incremental changes discussed above, the final subparagraph results in additional pre-order baseline incremental savings. According to § 26.24 of the former rule as well as guidance provided by the NRC in NUREG-1385, “Fitness for Duty in the Nuclear Power Industry: Responses to Implementation Questions,” licensees could not grant authorization to any applicant without administering a drug and alcohol test and verifying negative test results. Provisions in the final subparagraph, however, allow licensees and other entities to forego pre-access drug and alcohol testing on applicants that are either covered by a licensee-approved random drug and alcohol testing program and behavioral observation and arrest-reporting program, or are not randomly selected for a pre-access drug and alcohol test under the requirements of subparagraph 26.59(c)(3) discussed below. As a result, savings accrue from the reduction in the number of pre-access tests administered and the reduction in the loss of worker productivity awaiting negative test results.²⁴ The *annual saving per program* results from the *sum* of the following savings:²⁵

- The annual saving per program from allowing reinstatement applicants who have been covered by a random drug and alcohol testing program and by a behavioral observation and arrest-reporting program throughout the period of interruption to forego the pre-access drug and alcohol test is calculated as follows:
 - The final paragraph reduces the number of pre-access drug and alcohol tests performed at facilities with *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Covered} \times COST_{Onsite} \times NUM_{Units}$$
 - The final paragraph reduces the number of pre-access drug and alcohol tests performed at facilities with *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Covered} \times COST_{Offsite} \times NUM_{Units}$$
- Annual saving per program from bypassing required worker labor in the administration of a pre-access drug and alcohol tests for reinstatement applicants who have been covered by a random drug and alcohol testing program and by a behavioral observation and arrest-reporting program throughout the period of interruption is calculated as follows:
 - The final paragraph reduces the number of hours of lost worker productivity at facilities with *onsite testing laboratories*. The associated

²⁴ These savings are calculated in replacement of the costs calculated in the main analysis under paragraph 26.59(c)(2).

²⁵ The incremental savings from this provision will vary by individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Covered} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph reduces the number of hours of lost worker productivity at facilities with *offsite testing laboratories*. The associated savings are estimated as follows:

$$NUM_{Applicants} \times PER_{Covered} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- Annual saving per program from allowing reinstatement applicants who have not been covered by a random drug and alcohol testing program and by a behavioral observation and arrest-reporting program throughout the period of interruption, but who have not been randomly selected for pre-access testing, to forego the pre-access drug and alcohol test is calculated as follows:

- The final paragraph reduces the number of pre-access drug and alcohol testing at facilities with *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times (1 - PER_{Covered}) \times PER_{Not\ Selected} \times COST_{Onsite} \times NUM_{Units}$$

- The final paragraph reduces the number of pre-access drug and alcohol tests at facilities with *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times (1 - PER_{Covered}) \times PER_{Not\ Selected} \times COST_{Offsite} \times NUM_{Units}$$

- Annual saving per program from reducing the number of hours of lost worker productivity for reinstatement applicants who are not covered and are not selected for random pre-access drug and alcohol testing is calculated as follows:

- The final paragraph reduces the number of hours of lost worker productivity at facilities with *onsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times (1 - PER_{Covered}) \times PER_{Not\ Selected} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- The final paragraph reduces the number of hours of lost worker productivity at facilities with *offsite testing laboratories*. The associated savings are calculated as follows:

$$NUM_{Applicants} \times (1 - PER_{Covered}) \times PER_{Not\ Selected} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

Parameter	Description
$COST_{\text{Offsite}}$	Offsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{\text{Onsite}}$	Onsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$HOURS_{\text{Offsite Worker}}$	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$HOURS_{\text{Onsite Worker}}$	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$NUM_{\text{Applicants}}$	Annual number of applicants for reinstatement authorization with an interruption of more than 5 days but not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER_{Covered}	Percentage of $NUM_{\text{Applicants}}$ covered by a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest-reporting program (as described in assumptions below)
$PER_{\text{Not Selected}}$	Percentage of qualifying applicants not randomly selected for pre-access drug and alcohol testing (as described in assumptions below)
$WAGE_{\text{Worker}}$	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Percentage of $NUM_{\text{Applicants}}$ covered by a licensee-approved random drug and alcohol testing program and a behavioral observation and arrest-reporting program: 50%.
- Percentage of qualifying applicants not randomly selected for pre-access drug and alcohol testing: 97.95%.
- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per reinstatement.²⁶
- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.
- The per-unit cost of an *onsite pre-access drug and alcohol test* includes the following factors:

²⁶ Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

- (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results

Sensitivity Analysis - Industry Practices

In addition to incremental activities discussed above, some licensees should have administered additional pre-access tests. As previously noted, § 26.24 of the former rule required licensees to administer pre-access drug and alcohol tests on all reinstatement applicants before granting authorization. Nonetheless, until recently, many licensees did not consider it a requirement to administer pre-access drug and alcohol tests on reinstatement applicants with interruptions of 30 days or less. This fraction of licensees (assumed to be 50 percent) should have incurred additional costs to administer pre-access drug and alcohol tests in a manner that meets former requirements. The *annual cost per program* to comply with pre-access drug and alcohol testing requirements for applicants with interruptions of not more than 30 days results from the *sum* of the following costs:²⁷

- The annual cost per program to administer additional pre-access drug and alcohol tests is calculated as follows:²⁸
 - Additional pre-access drug and alcohol tests need to be performed at facilities with onsite testing laboratories. The associated costs are calculated as follows:

$$NUM_{Applicants} \times PER_{Compliance} \times COST_{Onsite} \times NUM_{Units}$$
 - Additional pre-access drug and alcohol tests need to be performed at facilities with offsite testing laboratories. The associated costs are

²⁷ Based on current industry practices, this cost is expected to accrue to the 50 percent of facilities that have not previously interpreted the former rule as requiring a pre-access drug and alcohol test to be administered for reinstatement applicants with an interruption of not more than 30 days. The remaining 50 percent of facilities interpreted the former FFD rule correctly, so costs for them should not be calculated. However, because data are not available regarding which specific facilities will incur costs, this analysis assumes that 100 percent of facilities will incur costs of 50 percent of the calculated amount.

²⁸ The incremental savings from this provision will vary per individual program depending on whether the program has onsite testing capabilities or utilizes an offsite HHS-certified testing laboratory.

calculated as follows:

$$NUM_{Applicants} \times PER_{Compliance} \times COST_{Offsite} \times NUM_{Units}$$

- The annual cost per program from increased lost worker productivity awaiting verification of negative test results is calculated as follows:

- Additional hours of lost worker productivity awaiting negative test result verification from *onsite testing laboratories* will be expended. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Compliance} \times HOURS_{Onsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

- Additional hours of lost worker productivity awaiting negative test result verification from *offsite testing laboratories* will be expended. The associated savings are calculated as follows:

$$NUM_{Applicants} \times PER_{Compliance} \times HOURS_{Offsite\ Worker} \times WAGE_{Worker} \times NUM_{Units}$$

Parameter	Description
$COST_{Offsite}$	Offsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{Onsite}$	Onsite pre-access drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$HOURS_{Offsite\ Worker}$	Hours of facility worker time at a unit with offsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$HOURS_{Onsite\ Worker}$	Hours of facility worker time at a unit with onsite testing laboratories awaiting a negative test verification and not working under the former rule (as described in assumptions below)
$NUM_{Applicants}$	Annual number of applicants for authorization reinstatement with an interruption of not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
$PER_{Compliance}$	Percentage cost applied to a given program (as described in assumptions below)
$WAGE_{Worker}$	Facility worker wage rate (as described in Appendix 2, Exhibit A2-11)

Assumptions:

- Hours of facility worker time at a unit with onsite testing laboratories awaiting negative test verification and not working under the former rule: 4 hours per reinstatement.²⁹

²⁹ Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-

- Hours of facility worker time at a unit with offsite testing laboratories awaiting negative test verification and not working under the former rule: 8 hours per reinstatement.³⁰
- The per-unit cost of an *onsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite pre-access drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) HHS-certified laboratory costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- Licensees have indicated that 50 percent of licensees did not interpret the former regulations as requiring a pre-access drug and alcohol test to be administered on applicants with interruptions of 30 days or less. Because the analysis cannot identify which facilities are or are not appropriately interpreting the requirement, the analysis assumes that each unit will incur 50 percent of the incremental cost of the activity.

Subparagraph 26.59(c)(3)

This subparagraph of the final rule adds provisions that require licensees and other entities to include applicants for reinstatement authorization with an interruption of not more than 30 days in a random drug and alcohol testing pool, under § 26.67. Licensees are expected to use the same random testing pool for this purpose as is specified under subparagraph 26.31(d)(2) of the final rule. Licensees and other entities must administer a drug and alcohol test on those applicants randomly selected although verification of results does not delay the granting of authorization.

The *annual cost per program* to conduct additional random drug and alcohol tests on reinstatement applicants selected for random testing is calculated as follows:³¹

related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

³⁰Verification usually requires 1 to 3 business days, depending on whether the given licensee engages in onsite or offsite testing. Although some of the time awaiting verification may be used by applicants for other work-related activities, the analysis assumes that applicants are paid, but unproductive, for a portion of this waiting period.

³¹ The incremental costs of this provision will vary by individual program depending on whether the

- The final paragraph increases the number of random drug and alcohol tests performed at facilities with *onsite testing laboratories*. The associated costs are estimated as follows:

$$NUM_{Applicants} \times PER_{Random} \times COST_{Onsite} \times NUM_{Units}$$

- The final paragraph increases the number of random drug and alcohol tests performed at facilities with *offsite testing laboratories*. The associated costs are estimated as follows:

$$NUM_{Applicants} \times PER_{Random} \times COST_{Offsite} \times NUM_{Units}$$

Parameter	Description
$COST_{Offsite}$	Offsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$COST_{Onsite}$	Onsite random drug and alcohol testing cost (as described in assumptions below and in Appendix 2, Exhibit A2-13)
$NUM_{Applicants}$	Annual number of applicants for authorization reinstatement with an interruption of not more than 30 days per unit (as described in Appendix 2, Exhibit A2-12)
NUM_{Units}	Number of units per program (as described in Appendix 2, Exhibit A2-14)
PER_{Random}	Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing (as described in assumptions below)

Assumptions:

- Percentage of $NUM_{Applicants}$ selected for random drug and alcohol testing: 1.0%.³²
- The per-unit cost of an *onsite random drug and alcohol test* includes the following factors:
 - (1) travel time of the worker
 - (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
 - (3) onsite licensee testing costs per urine specimen for drugs
 - (4) labor of FFD manager to process paperwork for negative test results
- The per-unit cost of an *offsite random drug and alcohol test* includes the following factors:

program has onsite testing capabilities or utilizes an offsite HHS-certified laboratory.

³² This figure is calculated by assuming that on any given day, an individual in applicant status has a chance of being selected equivalent to the following: (1 day / 365 days) x required annual testing rate of 50% x number of days in applicant status. The analysis assumes an average applicant status of 7 days. Applicants for reinstatement authorization, however, are likely to have a much shorter review period. Consequently, the analysis likely overstates these costs.

- (1) travel time of the worker
- (2) collection of drug and alcohol specimens (labor of the collector and the worker, as well as collection materials)
- (3) HHS-certified laboratory costs per urine specimen for drugs
- (4) labor of FFD manager to process paperwork for negative test results

Paragraph 26.59(d)

This paragraph of the final rule requires licensees and other entities to take the management action specified in § 26.69 when potentially disqualifying FFD information is disclosed or discovered for an applicant for reinstatement authorization. This final paragraph imposes no incremental cost and affords no saving because, under § 26.27 of the former rule, applicants for unescorted access were subject to similar requirements. These management actions are further discussed in relevant sections of the analysis.

26.61 Self-Disclosure and Employment History

Paragraph 26.61(a)

This paragraph of the final rule requires that licensees to ensure that a self-disclosure and employment history has been obtained from all applicants for authorization before authorization may be granted. Under the former rule, licensees were required to obtain an equivalent “written statement” from these applicants under subparagraph 26.27(a)(1).

Subparagraphs 26.61(a)(1)–(2)

These paragraphs of the final rule add provisions that allow licensees to forego the self-disclosure requirement for those applicants who have previously held authorization, had their previous termination terminated favorably, and have been covered by a licensee-approved behavioral observation program that includes arrest reporting throughout the period of interruption. Additionally, those applicants who have had their authorizations terminated favorably within the last 30 days, regardless of whether they were covered by a behavioral observation and arrest-reporting program, need not submit an employment history. For applicants for updated or reinstated authorization, there is no incremental cost or saving due to this provision because this paragraph is based on non-safeguards information requirements imposed by the NRC’s AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643). For applicants for initial authorization, however, this represents a relaxation over the former rule. Savings associated with this provision are calculated under subparagraph 26.55(a)(1).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* under

§§ 26.57 and 26.59.

Paragraph 26.61(b)

Subparagraphs 26.61(b)(1)–(3)

These subparagraphs of the final rule describe the types of events and the time period that must be addressed in the self-disclosure. The disclosure of most of this information was required under subparagraphs 26.27(a)(1) and (2) of the former rule. Although the final subparagraphs include additional information disclosure requirements and allow individuals to address only events that have occurred within the past 5 years, rather than all relevant events that have ever occurred, there is no incremental cost or saving due to these added provisions (discussed below) because this revised paragraph is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis Note - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, these paragraphs do result in incremental changes. The reduction in the time period within which events must be disclosed on the self-disclosure may reduce the amount of applicant time required to complete one. Simultaneously, however, the additional events that must be reported (i.e., any legal or employment action taken for alcohol or drug use) may increase the amount of time required to complete a self-disclosure. The analysis assumes that the two incremental changes offset each other, thereby resulting in no discernable net incremental costs or savings.

Paragraph 26.61(c)

This paragraph of the final rule requires applicants for authorization to submit an employment history report for verification during the suitable inquiry. This final paragraph imposes no incremental cost and affords no saving because, under the former rule and guidance contained in NUMARC 89-01: Industry Guidelines for Nuclear Power Plant Access Authorization Programs, applicants had to submit an employment history. The final paragraph does reduce the scope of the employment history from the past 5-years under former regulations to the shortest of (1) the past 3 years; (2) since the individual's eighteenth birthday; or (3) since authorization was last terminated, if authorization was terminated favorably. This provision, however, is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis Note - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does not result in incremental costs or savings. These paragraphs adopt provisions that reduce the period of time that an individual must address in an employment history. This reduction, however, is not anticipated to result in any significant reductions in the amount of labor required

to fill out an employment history and, therefore, no savings result.

26.63 Suitable Inquiry

Paragraph 26.63(a)

This subparagraph of the final rule [including subparagraphs 26.63(a)(1)–(3)] imposes no incremental cost and affords no saving because it merely requires licensees and other entities to ensure that a suitable inquiry has been conducted on the self-disclosures submitted by applicants for authorization in order to verify the information contained therein and to determine whether any potentially disqualifying FFD information exists. Under the former rule, applicants for unescorted access were subject to similar suitable inquiry requirements under § 26.27. The provision also adds a provision that allows licensees and other entities to forego the suitable inquiry requirement on those applicants who have previously held authorization, had that authorization terminated favorably, and who have been covered by a licensee-approved behavioral observation program that includes arrest reporting throughout the period of interruption. This provision, however, is based on non-safeguards information requirements imposed by the NRC’s Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis Note - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed as appropriate in the *Sensitivity Analysis - Pre-Order Baseline* under §§ 26.57 and 26.59.

Paragraph 26.63(b)

This paragraph of the final rule allows licensees to rely on information gathered by other licensees and other entities for previous periods of authorization for the purpose of completing suitable inquiries and determinations of fitness. Although this represents a relaxation of the former regulations, there is no incremental savings because this final paragraph is based on non-safeguards information requirements imposed by the NRC’s Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does not result in incremental costs or savings because licensees have indicated that they were already sharing information extensively and relying on such information to complete suitable inquiries, as noted in NRC guidance in NUREG-1600, “Revision to the NRC Enforcement Policy” (per 67 FR 66311, October 31, 2002).

Paragraph 26.63(c)

This paragraph of the final rule [including subparagraphs 26.63(c)(1)–(3)] imposes no incremental cost and affords no saving because it merely clarifies the manner in which licensees must ensure that a suitable inquiry has been conducted for periods of claimed employment, military service, and education (in lieu of employment). Provisions under subparagraph 26.27(a)(2) of the former rule required a suitable inquiry, but do not explicitly describe how licensees should conduct the suitable inquiry. The analysis assumes that licensees are already conducting suitable inquiries in a manner similar to that described in the final rule, although the final rule more explicitly describes the required process.

Paragraph 26.63(d)

This paragraph mandates that licensees and other entities must share information regarding a denial of authorization or unfavorable termination with other licensees and other entities who are legitimately seeking the information and have obtained a signed release from the subject individual for the purpose of conducting a suitable inquiry. This final paragraph imposes no incremental cost and affords no saving because licensees have indicated that they already share information, as noted in the NRC guidance in NUREG-1600, “Revision to the NRC Enforcement Policy” (per 67 FR 66311, October 31, 2002).

Paragraph 26.63(e)

This paragraph of the final rule imposes no incremental cost and affords no saving because it merely clarifies the media (i.e., telephone, email, facsimile) that licensees may use to conduct a suitable inquiry. The final paragraph also requires licensees to make a written record of any suitable inquiry conducted over the telephone. Licensees must maintain such records (along with other documents and electronic files) in accordance with the recordkeeping requirements of the final rule. No costs are calculated for this provision because paragraph 26.71(a) of the former rule already required licensees to retain records of suitable inquiries.

Paragraph 26.63(f)

Subparagraph 26.63(f)(1)

This paragraph of the final rule defines the scope of suitable inquiries conducted on applicants for initial authorization about whom no potentially disqualifying FFD information is known (or about whom potentially disqualifying FFD information is known, but it has been resolved by a licensee or other entity who is subject to this Subpart) at the time at which the suitable inquiry is initiated. The suitable inquiry must address the past 3-year period or since the applicants eighteenth birthday, whichever is shorter. The suitable inquiry must address every employer the applicant identified as having worked for during the 1-year period immediately preceding the application for authorization. For the remaining 2-year period, the suitable inquiry must address the employer for whom the applicant identified as having worked for the longest in each calendar month, if applicable. There is no incremental cost or saving due to this provision because this final paragraph is based on non-safeguards information requirements imposed by the NRC’s

Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for subparagraph 26.55(a)(2).

Subparagraph 26.63(f)(2)

This paragraph of the final rule defines the scope of suitable inquiries conducted on applicants for updated authorization about whom no potentially disqualifying FFD information is known (or about whom potentially disqualifying FFD information is known, but it has been resolved by a licensee or other entity who is subject to this Subpart) at the time at which the suitable inquiry is initiated. The suitable inquiry must address the period since authorization was last terminated. The suitable inquiry must address every employer the applicant identified as having worked for during the 1-year period immediately preceding the application for authorization. For each remaining calendar month in the period since authorization was terminated, the suitable inquiry must address the employer for whom the applicant identified as having worked for the longest, if applicable. There is no incremental cost or saving due to this provision because this final paragraph is based on non-safeguards information requirements imposed by the NRC's Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for subparagraph 26.57(a)(2).

Subparagraph 26.63(f)(3)

This paragraph of the final rule defines the scope of suitable inquiries conducted on applicants for authorization reinstatement after an interruption of more than 30 days about whom no potentially disqualifying FFD information is known (or about whom potentially disqualifying FFD information is known, but it has been resolved by a licensee or other entity who is subject to this Subpart) at the time at which the suitable inquiry is initiated. The suitable inquiry must address the period since authorization was last terminated. The suitable inquiry must address the applicant's current employer. In addition, for each calendar month since authorization was terminated, the suitable inquiry must address the employer whom the applicant identified as having worked the longest for, if applicable. There is no incremental cost or saving due to this provision because this final paragraph is based on non-safeguards information requirements

imposed by the NRC's Access Authorization Order dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for subparagraph 26.59(c)(2).

26.65 Pre-Access Drug and Alcohol Testing

Paragraph 26.65(a)

This paragraph of the final rule imposes no incremental cost and affords no saving because it describes the purpose of this section as containing the pre-access testing requirements for granting authorization. The former rule already required pre-access testing under subparagraph 26.24(a)(1).

Paragraph 26.65(b)

This paragraph of the final rule allows licensees and other entities to forego the pre-access drug and alcohol testing requirement for those applicants who have had negative test results from a drug and alcohol test performed under the requirements of this part within the 30-day period ending the day authorization is granted or denied. Although this provision is based on subparagraph 26.24(a)(1) of the former rule, the revised subparagraph reduces the period within which a previous drug and alcohol test will be accepted from 60 to 30 days. There is no incremental cost or saving due to this provision because this revised paragraph is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraphs do not result in any incremental costs. Although the final paragraphs adopt provisions from the AAO that reduce the time period within which pre-access drug and alcohol testing must be completed from 60 days under the former rule to 30 days, licensees and other entities are expected to adjust their pre-access testing schedules to accommodate the smaller time frame. The analysis anticipates that this adjustment will not result in any additional costs.

Paragraph 26.65(c)

This paragraph of the final rule [including subparagraphs 26.65(c)(1) and (2)] requires licensees to administer a pre-access drug and alcohol test and verify negative results before granting authorization to any applicant for initial authorization (i.e., an applicant who has never been

authorized or who has not been authorized within the past 3 years) or for updated authorization (i.e., an applicant with an interruption of more than 365 days, but not more than 3 years). Under the former rule, applicants for unescorted access were subject to similar drug and alcohol testing requirements under 26.24(a). The final subparagraphs do, however, adopt provisions from NRC's AAO that allow licensees and C/Vs to forego the pre-access drug and alcohol test requirement for certain applicants. Licensees and C/Vs may forego the pre-access drug and alcohol test requirement for individuals whose previous authorization had been terminated favorably and who have been covered by licensee-approved behavioral observation program that includes behavioral observation and a random drug and alcohol testing programs throughout the period of interruption, or who have had a negative result from a licensee-approved drug and alcohol test conducted anytime in the past and are covered by licensee-approved behavioral observation program that includes behavioral observation and a random drug and alcohol testing program beginning on the date of the drug and alcohol test through the date the individual is granted authorization. For applicants for updated authorization, the provision affords no savings except under the alternative Pre-Order Baseline, because it is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643). For applicants for initial authorization, however, this represents a relaxation relative to the former rule. Savings associated with this provision are calculated under subparagraph 26.55(a)(3).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for paragraph 26.57(a)(3).

Paragraph 26.65(d)

Subparagraph 26.65(d)(1)

This subparagraph of the final rule requires licensees to verify results of the pre-access alcohol test and collect a specimen for pre-access drug testing before granting authorization to any reinstatement applicant with an interruption of more than 30 days but no more than 365 days. Verification of negative drug test results must be completed within 5 business days of specimen collection. If verification has not occurred within this time frame, authorization must be administratively withdrawn until negative results have been received. Under the former rule, applicants for unescorted access were subject to similar drug and alcohol testing requirements under 26.24(a), except that licensees must verify negative results of both the drug and alcohol tests before authorization may be granted. The provision affords no savings, however, except under the alternative Pre-Order Baseline, because it is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for paragraph 26.59(c)(2).

Subparagraph 26.65(d)(2)

This subparagraph of the final rule allows licensees to forego the pre-access drug and alcohol testing requirements on certain applicants for authorization reinstatement with interruptions of more than 30 days but not more than 365 days. Licensees and C/Vs may forego the pre-access drug and alcohol test requirement for individuals whose previous authorization had been terminated favorably and who have been covered by licensee-approved behavioral observation program that includes arrest reporting and a random drug and alcohol testing program throughout the period of interruption, or who have had a negative result from a licensee-approved drug and alcohol test conducted anytime in the past and are covered by licensee-approved behavioral observation program that includes behavioral observation and a random drug and alcohol testing program beginning on the date of the drug and alcohol test through the date the individual is granted authorization. For these reinstatement applicants, the provision affords no savings except under the alternative Pre-Order Baseline, because it is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the subparagraph does result in incremental savings relative to the former rule. Savings associated with this provision are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for paragraph 26.59(a)(3).

Paragraph 26.65(e)

Subparagraph 26.65(e)(1)

This subparagraph of the final rule allows licensees to forego the pre-access drug and alcohol tests for applicants for reinstatement authorization with an interruption of 5 days or less. Under paragraph 26.24(a) of the former rule, all applicants for unescorted access were required to be subjected to a pre-access drug and alcohol test before authorization can be granted. The provision affords no savings, however, except under the alternative Pre-Order Baseline, because it is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

This paragraph of the final rule also adds a provision that allows licensees and other entities to forego the pre-access drug and alcohol testing requirement for those applicants for authorization with an interruption of fewer than 30 days whose previous authorization was terminated

favorably and who have been covered by a licensee-approved drug and alcohol testing program that included random testing and a licensee-approved behavioral observation program that includes arrest reporting throughout the period of interruption. Under paragraph 26.24(a) of the former rule, all applicants for unescorted access were required to be subjected to a pre-access drug and alcohol test before authorization can be granted. There is no incremental cost or saving due to this provision, however, because this revised paragraph is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraph does result in incremental savings. Savings associated with these provisions are calculated and discussed in the *Sensitivity Analysis - Pre-Order Baseline* for subparagraph 26.59(c) and (c)(2).

Subparagraph 26.65(e)(2)

Subparagraph 26.65(e)(2)(i) and (iii)

This subparagraph of the final rule adds provisions that require licensees and other entities to subject applicants for authorization reinstatement with an interruption of more than 5 days but not more than 30 days to random selection for a pre-access drug and alcohol test at a one-time probability that is equal to or greater than the normal random testing rate specified in subparagraph 26.31(d)(2) calculated for a 30-day period. For applicants randomly selected for pre-access drug and alcohol testing, licensees and other entities must verify negative results of the alcohol test and collect a drug test specimen before granting authorization. Drug test results must be verified within 5 business days of the granting of authorization or authorization must be administratively terminated. Costs associated with this provision are calculated and discussed under 26.59(c)(2).

Subparagraph 26.65(e)(2)(ii)

This subparagraph of the final rule adds provisions that allow licensees and other entities to forego the pre-access drug and alcohol testing requirement for those reinstatement applicants with interruptions of more than 5 days but not more than 30 days if not randomly selected. Under paragraph 26.24(a) of the former rule, all applicants for unescorted access were required to be subjected to a pre-access drug and alcohol test before authorization can be granted. The provision affords no savings, however, except under the alternative Pre-Order Baseline, because it is based on non-safeguards information requirements imposed by the NRC's AAO dated January 7, 2003, and published in the Federal Register on January 13, 2003 (68 FR 1643).

Sensitivity Analysis - Pre-Order Baseline

Relative to the regulations that were in effect before the NRC issued the AAO, the paragraphs do result in incremental savings. Savings associated with this provision are calculated and

discussed in the *Sensitivity Analysis - Pre-Order Baseline* for subparagraph 26.59(c)(2).

Paragraph 26.65(f)

This subparagraph of the final rule imposes no incremental cost and affords no saving because it is added to ensure that the administrative withdrawal of an individual’s authorization is not recorded as an unfavorable termination.

Paragraph 26.65(g)

This paragraph of the final rule [including subparagraphs 26.65(h)(1)–(3)] describes the minimum management actions and sanctions that must be met in the event of a positive, adulterated, or substituted random drug, validity, or alcohol test after selection during the applicant period. Licensees and other entities are required to either deny authorization [as required by paragraphs 26.75(b), (d), (e)(2), or (g)], terminate authorization if it has been granted [under paragraphs 26.75(e)(1) or (f)], or grant authorization under § 26.69. No incremental costs are anticipated to result from this final paragraph because the management actions are similar to those already required under the former rule.

26.67 Random Drug and Alcohol Testing of Individuals who have Applied for Authorization

Paragraph 26.67(a)

This paragraph of the final rule [including subparagraphs 26.67(a)(1) and (2)] adds a requirement for licensees and other entities to subject applicants for authorization to random drug and alcohol testing under subparagraph 26.31(d)(2) once the licensee collects specimens from an individual for any pre-access testing that may be required under §§ 26.65 or 26.69. This added provision will result in incremental costs. These costs, however, are presented separately for each applicant type under §§ 26.55, 26.57, and 26.59.

Subparagraph 26.67(a)(1)

This subparagraph states that licensees and other entities can forego the random drug and alcohol testing requirement presented in paragraph 26.67(a) if authorization is not granted. This requirement imposes no incremental activity relative to the former rule and, therefore, results in no incremental cost or saving.

Subparagraph 26.67(a)(2)

This subparagraph states that if the licensee or other entity, to meet the applicable requirements for pre-access testing, relies upon drug and alcohol testing conducted before the individual applied for authorization from the licensee, the licensee or other entity shall subject the individual to random testing beginning upon arrival at the facility for in-processing. Because this requirement ultimately will not change the time period within which random testing must be

conducted, this requirement imposes no incremental cost or saving.

Paragraph 26.67(b)

This paragraph of the final rule states that if an individual is selected for random drug and alcohol testing after the requirement for pre-access testing has been met, the licensee or other entity may grant authorization before test results are verified, provided that they are available within the time period specified in § 26.65 (10 business days). No incremental costs or savings result because licensees already allow access to be granted following the completion of pre-access drug and alcohol testing.

Paragraph 26.67(c)

This paragraph of the final rule [including subparagraphs 26.67(c)(1)–(3)] describes the minimum management actions and sanctions that must be met in the event of a positive, adulterated, or substituted random drug, validity, or alcohol test after selection during the applicant period. Licensees and other entities are required to either deny authorization [as required by paragraphs 26.75(b), (d), (e)(2), or (g)], terminate authorization if it has been granted [as required by paragraphs 26.75(e)(1) or (f)], or grant authorization under § 26.69. No incremental costs are anticipated to result from this final paragraph because the management actions are similar to those of current industry practice.

26.69 Authorization with Potentially Disqualifying Fitness-for-Duty Information

Paragraph 26.69(a)

This paragraph of the final rule states that the purpose of § 26.69 is to define the management actions for granting authorization when potentially disqualifying information has been discovered. Such management actions were defined in subparagraph 26.27(a)(3) of the former rule. In addition, the final paragraph allows licensees and other entities to rely on past reviews and determinations of potentially disqualifying FFD information conducted by previous licensees. This provision may result in incremental savings as the number of applicants that require a determination of fitness is likely to decrease. These incremental savings are calculated and presented under subparagraph 26.189(b)(3).

Paragraph 26.69(b)

This paragraph of the final rule describes the procedures for licensees and other entities to follow in granting and maintaining authorization for an individual whose authorization was denied for 5 years under § 26.75(c), (d), (e)(2), or (f) or terminated unfavorably for a first confirmed positive drug or alcohol test result by a licensee or other entity. This procedure includes a more thorough suitable inquiry than required under paragraph 26.61,³³ a determination of fitness (as required by 26.27(a)(3) of the former rule), verification of negative results of a pre-access drug and alcohol test with collection under direct observation, and completion of or compliance with any follow-

³³ This more thorough suitable inquiry is equivalent to what was called for under the former rule.

up testing program. Although this final paragraph includes some new provisions that may require additional labor burden, the analysis assumes that licensees and other entities will rarely hire or grant authorization to individuals with confirmed first positive drug and alcohol test results. Consequently, the requirements impose no added cost or savings.

Paragraph 26.69(c)

This paragraph of the final rule describes the procedures for licensees and other entities to follow in granting authorization to an applicant for whom potentially disqualifying FFD information, other than a first confirmed drug or alcohol test result, has been discovered or disclosed. This procedure includes a more thorough suitable inquiry than required under paragraph 26.61, a determination of fitness (as required by 26.27(a)(3) of the former rule) if necessary, verification of negative results of a pre-access drug and alcohol test, and completion of or compliance with any follow-up testing program. Although this final paragraph includes some new provisions that may require an additional labor burden, the analysis assumes that licensees and other entities will rarely hire or grant authorization to individuals who have been denied authorization for a period of 5 years. Consequently, the requirements impose no added cost or savings.

Paragraph 26.69(d)

This paragraph of the final rule describes the procedures for licensees and other entities to follow in order to maintain authorization of an individual when potentially disqualifying FFD information is discovered or disclosed after authorization has been granted. The procedure requires that the licensee's or other entity's designated reviewing official complete a review of the circumstances associated with the information. Upon the direction of the reviewing official, the appropriate professional (e.g., SAE) must conduct a determination of fitness and verify that the individual is fit to safely and competently perform his or her duties. Authorization may be maintained with the approval of the reviewing official and following the implementation of any recommendations for treatment and followup drug and alcohol testing as well as assurance of compliance with any such recommendations and treatments. The provisions impose no incremental cost and afford no saving because paragraph 26.27(b) of the former rule already required licensees and other entities to determine whether an individual who is suspected of potential impairment or questionable fitness is fit to safely and competently perform activities required under this part.

Paragraph 26.69(e)

This paragraph [including subparagraphs 26.69(e)(1) and (2)] addresses the transfer of an individual who is in a treatment and/or follow-up testing plan to a different FFD program. The final paragraph requires the licensee or other entity who imposed the treatment and/or followup testing plan to ensure that information documenting the treatment and/or followup plan is identified to any subsequent licensee or other entity who seeks to grant authorization to the individual. The paragraph also requires that the receiving licensee ensure that the treatment and follow-up testing requirements are met. No incremental costs or savings are expected to result from this requirement because the former rule already required (in subparagraph 26.27(a)(3))

that follow-up testing requirements apply to an individual wherever he or she goes, and as such, this final paragraph represents a clarification of former requirements. The language clarifies that the receiving licensee may take credit for the portion of a follow-up drug and alcohol testing program that was completed under a previous licensee, and that individuals will not need to start over with follow-up testing when transferring to a new licensee. Although these provisions may result in incremental savings for those licensees who have been hiring such individuals and restarting the follow-up testing program, the analysis does not quantify them given the rarity of situations in which a licensee will chose to hire such individuals.

Paragraph 26.69(f)

This paragraph of the rule describes the sanctions that licensees and other entities must implement in the event that an applicant applying for authorization with potentially disqualifying FFD information receives confirmed positive, adulterated, or substituted drug, validity, or alcohol test results. In such situations, licensees and other entities are required to either deny authorization or terminate an individual's authorization (if they already have been authorized). These procedures were already contained in paragraph 26.27(b)(2) of the former rule. As a result, the final paragraph imposes no incremental costs and affords no savings.

26.71 Maintaining Authorization

Paragraph 26.71(a)

Subparagraph 26.71(a)(1)

This paragraph of the final rule states that individual's must comply with licensee and other entity FFD policies and procedures in order to maintain authorization. This final subparagraph imposes no incremental cost and affords no saving because the former rule already required individuals to conform to this provision based on the actions that would warrant revocation of the individual's authorization in paragraph 26.27(b) of the former rule.

Subparagraph 26.71(a)(2)

This paragraph of the final rule states that individuals must remain subject to an approved drug and alcohol testing program in order to maintain authorization. It imposes no incremental costs and affords no saving because this already is required under § 26.24 of the former rule.

Subparagraph 26.71(a)(3)

This paragraph states that individuals must be subject to a behavioral observation program in order to maintain authorization, as required by subparagraph 26.22(a)(4) of the former rule. Incremental costs indirectly related to this provision are addressed in connection with § 26.29.

Subparagraph 26.71(a)(4)

This paragraph of the final rule imposes no incremental cost and affords no saving because FFD policy training already is required under § 26.21 of the former rule. Costs or savings associated with changes to training requirements are calculated and discussed in connection with § 26.29.

Paragraph 26.71(b)

This paragraph of the final rule adds provisions that require the licensee or other entity to terminate authorization of any authorized individual who for a period of 30 days has not been subject to a licensee-approved FFD program that meets the requirements of this part. The analysis assumes that current industry practice already allows a limited period of time during which authorized individuals may be away from the FFD program to account for vacations and other approved short-term leaves of absence. Therefore, the analysis assumes the final paragraph imposes no incremental costs and affords no savings.