

Growth for drivers affected by this rule is estimated to be 2.8 percent annually. This projection is the aggregate growth rates of the three primary occupational categories requiring CDLs, based on Bureau of Labor Statistics' Occupational

Employment Projections. This figure accounts for growth and net replacement to the CDL work force. Specific data on drivers holding a CDL with a hazardous materials endorsement is not available at this time. However, this growth number is considered

representative for cost estimating purposes. As shown in Table 2, this rule will require a total population of 8.7 million to be fingerprinted over a ten-year period.

TABLE 2

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Year	Number	Growth	Renewals	CHRC population
2003	3,500	681	681
2004	3,598	98	700	798
2005	3,699	101	720	820
2006	3,802	103	740	843
2007	3,908	106	760	867
2008	4,018	109	782	891
2009	4,130	112	804	916
2010	4,245	116	826	941
2011	4,364	119	849	968
2012	4,486	122	873	995
		986	7,734	8,720

Name Checks

Following publication of the rule, TSA will begin to conduct security threat assessments on hazardous materials endorsement holders using names and biographical data contained in the Commercial Driver's License Information System (CDLIS). Some assessments will include checking names against the National Crime Information Center (NCIC) database, the Interstate Identification Index (III), and other databases, such as terrorism watch lists. FMCSA conducted a similar check after September 11, 2001. Industry incremental costs from this requirement are considered to be di minimis, because the information already is available and much of the process is automated. However, there is an incremental cost to the government, which is discussed later in this section.

Fingerprinting Cost

Estimates for the cost of the fingerprinting process vary considerably and depend on where and how the fingerprints are collected and processed. Some State DMVs are currently equipped to process fingerprints. For other states, it is anticipated that individuals will use local police stations for fingerprinting. Processing costs of approximately \$50 per individual consist of the following elements: \$22 fee to the FBI for processing fingerprints, approximately \$7.00 to the Office of Personnel Management (OPM) Special Agreement Checks Billing Rates for Regulatory Purpose fingerprints, \$16 personnel cost to take the fingerprints,

complete the paperwork and forward for processing, and \$5.00 for fingerprint cards and material. Using these assumptions, it is estimated that the cost to conduct a fingerprint-based background check on 8.7 million individuals over a ten-year period is \$434 million (present value, \$320 million).

Lost Time

There are additional factors, such as opportunity costs, that complicate estimating the industry's incremental compliance costs associated with this interim final rule. One is the amount of time an employee spends submitting to fingerprinting, which is an opportunity cost. This time can vary considerably based on distance the individual has to travel and the wait time. Based on similar analyses of the background check process for aviation security rules, TSA estimates that it will take one hour of an individual's time to comply with the fingerprinting requirement. Based on the Bureau of Labor Statistics, 2001 National Occupational Employment and Wage Estimates, the mean hourly wage of a commercial truck driver is approximately \$16.00 (2002 dollars). Using these assumptions, it is estimated that the cost of lost time associated with this rule over a ten-year period is \$143 million (present value, \$106 million).

Government Impact

There are two primary incremental cost components of this rule for the government. First, as previously discussed in the Name Checks section,

TSA will conduct name checks on current drivers with hazardous materials endorsements for the first 180 days after the rule becomes effective. For purposes of this analysis, we have used one year in order to be certain that all costs are considered. This one-year cost consists of staffing an office to administer the name-based background check process (labor, other direct costs, and etc.). It is estimated that it will take approximately 53 staff-years to process and adjudicate the results of this check. This estimate is based on 25 percent of the names returning results that require further review, with each review taking, on average 5 minutes, to complete. The fully loaded labor rate for personnel conducting these reviews is approximately \$40.00 an hour. The one-year cost to process and adjudicate these checks is estimated to be \$4.6 million (present value, \$4.6 million).

Applicants notified of disqualifying offenses have the right to appeal and apply for a waiver under this rule. It is estimated that it will take approximately 6.4 staff-years to process and respond to these appeals. This figure is based on an estimate of 1 percent of those individuals notified of disqualifying offenses electing to appeal and apply for a waiver of the initial notification, with each action taking, on average, 1 hour to process. The fully loaded labor rate for personnel processing these actions is approximately \$40.00 an hour. The one-year cost for appeals and waivers, including labor and other direct costs, of the name-based background check is estimated to be \$559,000 (present value, \$559,000). The total one-year