

digital certificate, and implement the software systems to handle electronic orders. Based on a pilot project (67 FR 1507, January 11, 2002), DEA assumes that completing the application, which is primarily collecting paperwork, and generating keys and learning to use the system would take about 1.5 hours per

applicant. DEA further assumes that a limited number of registrants (estimated at 256) would develop or purchase their software systems. These registrants are likely to be manufacturers, chain drug stores, and distributors. DEA assumes that they would provide the software to other registrants. The ongoing costs

include the time required to digitally sign and validate the order and the time to annotate the order. Tables 3 and 4 provide the unit time estimates for initial and annual compliance of the electronic system. Tables 5 and 6 present total costs for initial and annual compliance.

TABLE 3.—UNIT TIME AND FIXED COST ASSUMPTIONS FOR ELECTRONIC ORDERS—INITIAL COMPLIANCE

Task	Entity	Hours/person	Fixed cost
Complete application .....	Supplier .....	0.72/1.24* .....	.....
Generate keys .....	Purchaser .....	.....	.....
Learn to use system .....	Supplier .....	0.10 .....	.....
Implementing software .....	Purchaser .....	.....	.....
Notarize and mail application .....	Supplier .....	0.417 .....	.....
	Supplier .....	.....	.....
	Supplier .....	40/firm .....	.....
	Purchaser .....	8.00/firm .....	.....
	Practitioner .....	0.50 .....	.....
			\$2.37

\*Higher value is for the CSOS coordinator.

TABLE 4.—UNIT COSTS FOR ELECTRONIC ORDERS—ANNUAL COMPLIANCE

Activity	Entity	Unit hours
Signing orders .....	Purchaser .....	0.006/order.
Validating orders .....	Supplier .....	0.004/order.
	Purchaser .....	0.025/order.
Annotating orders .....	Supplier .....	0.042/order.
Sending orders to DEA .....	Supplier .....	0.05/every 2nd day.
Renewing certificate .....	Purchaser .....	0.083/person.
	Supplier .....	.....
Renewing certificate (every third renewal) .....	Purchaser .....	0.36 hour/person.
	Supplier .....	.....

TABLE 5.—TOTAL INITIAL COMPLIANCE HOURS AND COSTS FOR THE ELECTRONIC ORDER SYSTEM

	Total hours	Total labor cost	Total capital and O&M cost	Total cost
Supplier:				
Complete Application .....	3,649	\$224,000	\$2,400	\$226,000
Implement software .....	304	758,000	.....	758,000
Generate keys .....	452	28,000	.....	28,000
Learn to use system .....	1,884	119,000	.....	119,000
Purchaser:				
Complete Application .....	150,424	11,312,000	252,000	11,564,000
Implement software .....	400,307	15,113,000	.....	15,113,000
Generate keys .....	15,561	1,169,000	.....	1,169,000
Learn to use system .....	32,870	2,469,000	.....	2,469,000
Software Developers .....	512,000	39,250,000	.....	39,250,000
Total .....	1,127,000	70,440,000	254,000	70,694,000

TABLE 6.—TOTAL ANNUAL COMPLIANCE HOURS AND COSTS FOR THE ELECTRONIC ORDER SYSTEM

	Total hours	Total labor cost	Total capital and O&M cost	Total cost
Supplier/Purchaser:				
Sign orders .....	29,659	\$2,227,000	.....	\$2,227,000
Supplier:				
Validate orders .....	22,244	1,401,000	.....	1,401,000
Collect and send to DEA .....	5,960	375,000	.....	375,000
Annotate .....	222,411	14,007,131	.....	14,007,131
Renew certificate .....	377	24,000	.....	24,000
Purchaser:				
Annotate .....	133,465	10,023,000	.....	10,023,000
Renew certificate .....	4,833	363,000	.....	363,000