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## AGENCY FOR INTERNATIONAL DEVELOPMENT

### 2 CFR Part 782

### 22 CFR Part 210

RIN 0412-AA66

### Implementation of OMB Guidance on Drug-Free Workplace Requirements

**AGENCY:** U.S. Agency for International Development.

**ACTION:** Final rule.

**SUMMARY:** The U.S. Agency for International Development (USAID) is removing its regulation implementing the Government-wide common rule on drug-free workplace requirements for financial assistance, currently located within Part 210 of Title 22 of the Code of Federal Regulations (CFR), and issuing a new regulation to adopt the Office of Management and Budget (OMB) guidance at 2 CFR part 182. This regulatory action implements the OMB's initiative to streamline and consolidate into one title of the CFR all federal regulations on drug-free workplace requirements for financial assistance. These changes constitute an administrative simplification that would make no substantive change in USAID policy or procedures for drug-free workplace.

**DATES:** This final rule is effective on August 15, 2011 without further action. Submit comments by July 14, 2011 on any unintended changes this action makes in USAID policies and procedures for drug-free workplace. All comments on unintended changes will be considered and, if warranted, USAID will revise the rule.

**ADDRESSES:** You may submit comments, identified by RIN 0412-AA66 in the subject line to Ms. M. E. Yearwood, USAID—M/OAA/P, SA-44, 867B, 1300 Pennsylvania Ave., NW., Washington,

DC 20523, e-mail [myearwood@usaid.gov](mailto:myearwood@usaid.gov), fax (202) 567-4695.

**FOR FURTHER INFORMATION CONTACT:** Melita E. Yearwood, Procurement Analyst, Office of Acquisition and Assistance, Policy Division at (202) 567-4672.

#### SUPPLEMENTARY INFORMATION:

#### Background

The Drug-Free Workplace Act of 1988 [Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701, *et seq.*] was enacted as a part of omnibus drug legislation on November 18, 1988. Federal agencies issued an interim final common rule to implement the act as it applied to grants [53 FR 4946, January 31, 1989]. The rule was a subpart of the Government-wide common rule on non-procurement suspension and debarment. The agencies issued a final common rule after consideration of public comments [55 FR 21681, May 25, 1990].

The agencies proposed an update to the drug-free workplace common rule in 2002 [67 FR 3266, January 23, 2002] and finalized it in 2003 [68 FR 66534, November 26, 2003]. The updated common rule was redrafted in plain language and adopted as a separate part, independent from the common rule on non-procurement suspension and debarment. Based on an amendment to the drug-free workplace requirements in 41 U.S.C. 702 [Pub. L. 105-85, div. A, title VIII, Sec. 809, Nov. 18, 1997, 111 Stat. 1838], the update also allowed multiple enforcement options from which agencies could select, rather than requiring use of a certification in all cases.

When it established Title 2 of the CFR as the new central location for OMB guidance and agency implementing regulations concerning grants and agreements [69 FR 26276, May 11, 2004], OMB announced its intention to replace common rules with OMB guidance that agencies could adopt in brief regulations. OMB began that process by proposing [70 FR 51863, August 31, 2005] and finalizing [71 FR 66431, November 15, 2006] Government-wide guidance on non-procurement suspension and debarment in 2 CFR part 180.

As the next step in that process, OMB proposed for comment [73 FR 55776, September 26, 2008] and finalized [74 FR 28149, June 15, 2009] Government-

wide guidance with policies and procedures to implement drug-free workplace requirements for financial assistance. The guidance requires each agency to replace the common rule on drug-free workplace requirements that the agency previously issued in its own CFR title with a brief regulation in 2 CFR adopting the Government-wide policies and procedures. One advantage of this approach is that it reduces the total volume of drug-free workplace regulations. A second advantage is that it collocates OMB's guidance and all of the agencies' implementing regulations in 2 CFR.

#### The Current Regulatory Actions

As the OMB guidance requires, USAID is taking two regulatory actions. First, we are removing the drug-free workplace common rule from 22 CFR Part 210. Second, to replace the common rule, we are issuing a brief regulation in 2 CFR Part 182 to adopt the Government-wide policies and procedures in the OMB guidance.

#### Invitation to Comment

Taken together, these regulatory actions are solely an administrative simplification and are not intended to make any substantive change in policies or procedures. In soliciting comments on these actions, we therefore are not seeking to revisit substantive issues that were resolved during the development of the final common rule in 2003. We are inviting comments specifically on any unintended changes in substantive content that the new part in 2 CFR would make relative to the common rule at 22 CFR Part 210.

#### Administrative Procedure Act

Under the Administrative Procedure Act (5 U.S.C. 553), agencies generally propose a regulation and offer interested parties the opportunity to comment before it becomes effective. However, as described in the "Background" section of this preamble, the policies and procedures in this regulation have been proposed for comment two times—one time by federal agencies as a common rule in 2002 and a second time by OMB as guidance in 2008—and adopted each time after resolution of the comments received.

This direct final rule is solely an administrative simplification that would make no substantive change in USAID's policy or procedures for drug-free

workplace. We therefore believe that the rule is noncontroversial and do not expect to receive adverse comments, although we are inviting comments on any unintended substantive change this rule makes.

Accordingly, we find that the solicitation of public comments on this direct final rule is unnecessary and that “good cause” exists under 5 U.S.C. 553(b)(B) and 553(d) to make this rule effective on August 15, 2011 without further action, unless we receive adverse comment by July 14, 2011. If any comment on unintended changes is received, it will be considered and, if warranted, we will publish a timely revision of the rule.

**Executive Order 12866**

OMB has determined this rule to be not significant for purposes of E.O. 12866.

**Regulatory Flexibility Act of 1980 (5 U.S.C. 605(b))**

This proposed regulatory action will not have a significant adverse impact on a substantial number of small entities.

**Unfunded Mandates Act of 1995 (Sec. 202, Pub. L. 104–4)**

This proposed regulatory action does not contain a Federal mandate that will result in the expenditure by State, local, and tribal governments, in aggregate, or by the private sector of \$100 million or more in any one year.

**Paperwork Reduction Act of 1995 (44 U.S.C., Chapter 35)**

This regulatory action will not impose any additional reporting or recordkeeping requirements under the Paperwork Reduction Act.

**Federalism (Executive Order 13132)**

This proposed regulatory action does not have Federalism implications, as set forth in Executive Order 13132. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

**List of Subjects**

2 CFR Part 782

Administrative practice and procedure, Drug abuse, Grant

administration, Grant programs, Reporting and recordkeeping requirements, Government procurement.

22 CFR Part 210

Administrative practice and procedure, Drug abuse, Grant administration, Grant programs, Reporting and recordkeeping requirements, Government procurement.

Accordingly, for the reasons set forth in the preamble, and under the authority of 5 U.S.C. 301, the USAID amends the Code of Federal Regulations, Title 2, Subtitle B, chapter VII, Part 782, and Title 22, chapter II, as follows:

**Title 2—Grants and Agreements**

■ 1. Add part 782 in Subtitle B, Chapter VII, to read as follows:

**PART 782—REQUIREMENTS FOR DRUG-FREE WORKPLACE (FINANCIAL ASSISTANCE)**

Sec.

782.10 What does this part do?

782.20 Does this part apply to me?

782.30 What policies and procedures must I follow?

**Subpart A—Purpose and Coverage [Reserved]**

**Subpart B—Requirements for Recipients Other Than Individuals**

782.225 Whom in USAID does a recipient other than an individual notify about a criminal drug conviction?

**Subpart C—Requirements for Recipients Who Are Individuals**

782.300 Whom in USAID does a recipient who is an individual notify about a criminal drug conviction?

**Subpart D—Responsibilities of Agency Awarding Officials**

782.400 What method do I use as an agency awarding official to obtain a recipient’s agreement to comply with the OMB guidance?

**Subpart E—Violations of This Part and Consequences**

782.500 Who in USAID determines that a recipient other than an individual violated the requirements of this part?

782.505 Who in USAID determines that a recipient who is an individual violated the requirements of this part?

**Subpart F—Definitions**

782.605 Award (USAID Supplement to Government Wide Definition at 2 CFR 182.605).

Authority: 41 U.S.C. 701–707.

**§ 782.10 What does this part do?**

This part requires that the award and administration of USAID grants and cooperative agreements comply with Office of Management and Budget (OMB) guidance implementing the portion of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701–707, as amended, hereafter referred to as “the Act”) that applies to grants. It thereby—

(a) Gives regulatory effect to the OMB guidance (Subparts A through F of 2 CFR Part 182) for USAID’s grants and cooperative agreements; and

(b) Establishes USAID policies and procedures for compliance with the Act that are the same as those of other Federal agencies, in conformance with the requirement in 41 U.S.C. 705 for Government wide implementing regulations.

**§ 782.20 Does this part apply to me?**

This part and, through this part, pertinent portions of the OMB guidance in Subparts A through F of 2 CFR part 182 (see table at 2 CFR 182.115(b)) apply to you if you are a—

(a) Recipient of a USAID grant or cooperative agreement; or

(b) USAID awarding official.

**§ 782.30 What policies and procedures must I follow?**

(a) *General.* You must follow the policies and procedures specified in applicable sections of the OMB guidance in Subparts A through F of 2 CFR part 182, as implemented by this part.

(b) *Specific sections of OMB guidance that this part supplements.* In implementing the OMB guidance in 2 CFR part 182, this part supplements four sections of the guidance, as shown in the following table. For each of those sections, you must follow the policies and procedures in the OMB guidance, as supplemented by this part.

Section of OMB guidance	Section in this part where supplemented	What the supplementation clarifies
(1) 2 CFR 182.225(a) .....	§ 782.225	Whom in USAID a recipient other than an individual must notify if an employee is convicted for a violation of a criminal drug statute in the workplace.

Section of OMB guidance	Section in this part where supplemented	What the supplementation clarifies
(2) 2 CFR 182.300(b) .....	§ 782.300	Whom in USAID a recipient who is an individual must notify if he or she is convicted of a criminal drug offense resulting from a violation occurring during the conduct of any award activity.
(3) 2 CFR 182.500 .....	§ 782.500	Who in USAID is authorized to determine that a recipient other than an individual is in violation of the requirements of 2 CFR part 182, as implemented by this part.
(4) 2 CFR 182.505 .....	§ 782.505	Who in USAID is authorized to determine that a recipient who is an individual is in violation of the requirements of 2 CFR part 182, as implemented by this part.

(c) Sections of the OMB guidance that this part does not supplement. For any section of OMB guidance in Subparts A through F of 2 CFR part 182 that is not listed in paragraph (b) of this section, USAID policies and procedures are the same as those in the OMB guidance.

**Subpart A—Purpose and Coverage [Reserved]**

**Subpart B—Requirements for Recipients Other Than Individuals**

**§ 782.225 Whom in USAID does a recipient other than an individual notify about a criminal drug conviction?**

A recipient other than an individual that is required under 2 CFR 182.225(a) to notify Federal agencies about an employee’s conviction for a criminal drug offense must notify—

(a) Federal agencies if an employee who is engaged in the performance of an award informs you about a conviction, or you otherwise learn of the conviction. Your notification to the Federal agencies must—

- (1) Be in writing;
- (2) Include the employee’s position title;
- (3) Include the identification number(s) of each affected award;
- (4) Be sent within ten calendar days after you learn of the conviction; and
- (5) Be sent to every Federal agency on whose award the convicted employee was working. It must be sent to every awarding official or his or her official designee, unless the Federal agency has specified a central point for the receipt of the notices.

(b) Within 30 calendar days of learning about an employee’s conviction, you must either—

(1) Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended; or

(2) Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program

approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.

**Subpart C—Requirements for Recipients Who Are Individuals**

**§ 782.300 Whom in USAID does a recipient who is an individual notify about a criminal drug conviction?**

A recipient who is an individual and is required under 2 CFR 182.300(b) to notify Federal agencies about a conviction for a criminal drug offense must notify each USAID office from which it currently has an award.

**Subpart D—Responsibilities of Agency Awarding Officials**

**§ 782.400 What method do I use as an agency awarding official to obtain a recipient’s agreement to comply with the OMB guidance?**

To obtain a recipient’s agreement to comply with applicable requirements in the OMB guidance at 2 CFR part 182, you must include the following term or condition in the award:

*Drug-free workplace.* You as the recipient must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 782, which adopts the Government-wide implementation (2 CFR part 182) of sec. 5152–5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100–690, Title V, Subtitle D; 41 U.S.C. 701–707).

**Subpart E—Violations of This Part and Consequences**

**§ 782.500 Who in USAID determines that a recipient other than an individual violated the requirements of this part?**

The Director of the Office of Acquisition and Assistance is the official authorized to make the determination under 2 CFR 182.500.

**§ 782.505 Who in USAID determines that a recipient who is an individual violated the requirements of this part?**

The Director of the Office of Acquisition and Assistance is the official authorized to make the determination under 2 CFR 182.505.

**Subpart F—Definitions**

**§ 782.605 Award USAID supplement to Government-wide definition at 2 CFR 182.605**

*Award* means an award of financial assistance by the U.S. Agency for International Development or other Federal agency directly to a recipient.

(a) The term award includes:

- (1) A Federal grant or cooperative agreement, in the form of money or property in lieu of money.
- (2) A block grant or a grant in an entitlement program, whether or not the grant is exempted from coverage under the Government-wide rule that implements OMB Circular A–102 (for availability, see 5 CFR 1310.3) and specifies uniform administrative requirements.

(b) The term award does not include:

- (1) Technical assistance that provides services instead of money.
- (2) Loans.
- (3) Loan guarantees.
- (4) Interest subsidies.
- (5) Insurance.
- (6) Direct appropriations.
- (7) Veterans’ benefits to individuals (i.e., any benefit to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States).

(c) Notwithstanding paragraph (a)(2) of this section, this paragraph is not applicable to AID.

■ 2. In title 22, chapter II, remove Part 210

Dated: March 24, 2011.

**M.E. Yearwood,**  
*Acquisitions and Assistance Policy Analyst,*  
*USAID.*

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