



Preferred Alliance ALERT!

Dear Client,

For a number of years The Department of Transportation (DOT) reviewed recommendations for altering its drug testing protocols but remained committed to its long standing panel. Recently, in an unexpected move DOT announced the lowering of the initial testing threshold levels for cocaine and amphetamines – along with other changes that should result in safer highways. The final rule goes into effect October 1, 2010. The new requirements mandate that all laboratories certified to perform DOT/Federal testing use the new testing protocols beginning October 1st. In addition to changes in the screening process, labs are required to send out new Custody and Control Forms for all DOT/Federal accounts. Preferred Alliance is working on your behalf to make this transition as smooth as possible with the least amount of disruption to your operations, but we will need your support and cooperation.

While labs are absorbing much of the cost associated with meeting the new requirements we have been advised that a portion of these cost increases will be passed on to its customers. Preferred Alliance in turn will absorb as much of this increase as possible but will require a small increase in fees to defray the remaining costs. We are projecting an increase of \$1.00 added for each drug test as they occur. Once the rule is in effect you will see a nominal fee added to your company's testing program.

For our clients who have DOT mandated testing programs; you must go to the new cutoffs and required changes to the panel.

For our Non-DOT customers you have to make some choices. It would be our recommendation that you follow this change to the panel as this will become the industry standard going forward.

Non-DOT panels with DOT look-a-like programs are not automatically adjusted to reflect these changes to the panel. You will need to let us know that you want to continue to keep a DOT look-a-like panel or the following will take place:

- No increase will be assessed for any Non-DOT program that remains the same.
- In the case of the inadvertent use of a Non-DOT CCF a DOT upgrade will no longer be possible (panel no longer meets with DOT standards) and the test will be cancelled and may result in recollections.

If applicable, please let us know what you would like to do for your Non-DOT account after the effective date of October 1st, 2010. For your convenience you can send us your request via email at: supportdesk@preferredalliance.com.

If you would like to speak to us or you have questions please contact our office at: 877-272-5227.

Thank you,

A handwritten signature in blue ink, appearing to read "Manny Chavez", is written over the typed name.

Manny Chavez
General Manager
Preferred Alliance, Inc.
877 272-5227 Ext. 427

Summary of Final Rule, effective October 1, 2010:

1. The Department is required by the Omnibus Transportation Employees Testing Act (Omnibus Act) to follow the HHS requirements for the testing procedures/protocols and drugs for which we test.
2. Primary laboratory requirements in this final rule include:
 - Testing for MDMA (aka. Ecstasy);
 - Lowering cutoff levels for cocaine and amphetamines;
 - Conducting mandatory initial testing for heroin;
3. The Department brought several testing definitions in-line with those of HHS.
4. Each Medical Review Officer (MRO) will need to be re-qualified including passing an examination given by an MRO training organization - every five years. The Final Rule eliminated the requirement for each MRO to take 12 hours of continuing education every three years.
5. An MRO will not need to be trained by an HHS-approved MRO training organization as long as the MRO meets DOT's qualification and requalification training requirements.
6. MRO recordkeeping requirements did not change from the five years for non-negatives and one year for negatives.
7. The Final Rule does not allow the use of HHS-Certified Instrumented Initial Testing Facilities (IITFs) to conduct initial drug testing because the Omnibus Act requires laboratories to be able to perform both initial and confirmation testing but IITFs cannot conduct confirmation testing.
8. The Final Rule is effective October 1, 2010.