SUPPORTING STATEMENT
FOR
DOE/NRC FORM 742
"MATERIAL BALANCE REPORT"
and NUREG/BR-0007
"INSTRUCTIONS FOR COMPLETING MATERIAL BALANCE REPORT
AND PHYSICAL INVENTORY LISTING"
(3150-0004)

EXTENSION

Description of the Information Collection

NRC regulations require each licensee who is authorized to possess at any one time and location special nuclear material (SNM) in a quantity totaling more than 350 grams of contained uranium-235, uranium-233, or plutonium, or any combination thereof, to prepare and submit reports concerning SNM received, produced, possessed, transferred, consumed, disposed of, or lost. Each NRC licensee who has been selected for the application of International Atomic Energy Agency (IAEA) safeguards under 10 CFR Part 75 is required to complete and submit DOE/NRC Form 742, "Material Balance Report," within thirty days after the start of a physical inventory. In addition, each licensee, Federal or State, who is authorized to possess, at any one time or location, 1,000 kilograms of source material, is required to file with the NRC semiannually a statement of source material inventory. The instructions for completing Form 742 are in NUREG/BR-0007, "Instructions for Completing Material Balance Report and Physical Inventory Listing."

A. JUSTIFICATION

1. Need for and Practical Utility of the Collection of Information

In order for the United States to fulfill its responsibilities as a participant in the US/IAEA Safeguards Agreement and to satisfy bilateral agreements with Australia and Canada and its domestic safeguards responsibilities, it is necessary for licensees affected by 10 CFR Part 75 and related sections of Parts 30, 40, 50, 70, 74, and 150 to submit accounting reports. The accounting reports for each IAEA material balance area must include material status reports based on a physical inventory of nuclear materials actually present.

10 CFR 75.35 requires that each licensee identified by the Agreement submit material status reports for each physical inventory taken as part of the material accounting and control procedures. A computer-readable DOE/NRC Form 742 is used for the collection of the information on the material balance of nuclear material.

2. Agency Use of the Information

NRC is required to collect nuclear material transaction information and make it available to the IAEA. The use of DOE/NRC Form 742, together with NUREG/BR-0007, the instructions for completing the form, enables NRC to collect, retrieve, analyze as necessary, and submit the data to IAEA to fulfill its reporting responsibilities. Use of this report form, in ADP format, enhances NRC's ability to collect and provide this data.

This information is needed to provide to the Australian and Canadian Governments a periodic report showing the inventory of all materials in each U.S. facility that is subject to their

respective Bilateral Agreements; to satisfy the terms of the US/IAEA Safeguards Agreement; and for the domestic inspection program.

3. Reduction of Burden Through Information Technology

Licensees previously had the option of submitting the required information on a facsimile of the form or transmitting the information electronically. NRC amended its regulations to require licensees using DOE/NRC Forms 741, 741A, 740M, 742, and 742C to submit such reports in a computer-readable format. This change eliminated the need for hard copy forms and reduced the burden on licensees through the use of current information technology.

4. Effort to Identify Duplication and Use Similar Information

In general, information required by NRC in reports or records concerning the transfer, receipt, or change in inventory of source or special nuclear material does not duplicate other Federal information collection requirements and is not available from any source other than applicants or licensees. Portions of the needed information might be contained in other information submittals to NRC or other Federal agencies. However, duplication, if any, is slight, and the collection of this information by use of specified forms and other required reports and records is the most effective and least burdensome means of obtaining the information.

Submission of similar information on the inventory of nuclear material to the Federal government has been minimized by NRC and the Department of Energy (DOE) jointly utilizing the Nuclear Materials Management and Safeguards System (NMMSS). Common reporting forms are used to minimize the reporting burden on industry members required to provide nuclear material data to one or both agencies in accordance with prevailing regulations or contractual obligations. The licensee is thus able to file one report to meet the requirements of both agencies. Compliance with specific reporting requirements is monitored by the agency for which the specific data is required.

5. Effort to Reduce Small Business Burden

This reporting requirement affects approximately 200 persons licensed by the NRC or an Agreement State to possess source or special nuclear material at certain types of facilities, or at any one time and location in amounts greater than specified amounts.

Most of these licensees are large, independent industrial firms, each with an estimated annual gross income of more than $1 million and a staff of more than 500 people. The NRC has determined that the respondents are not small businesses as that term is used in the Regulatory Flexibility Act.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

Affected licensees are required to submit reports semiannually. This schedule is reasonable because the submission will coincide with taking a physical inventory. The collection and recording of data for inventory purposes is a continuing process that the licensee carries out throughout the year for the licensee's internal records. At the specified times for inventory reports, the licensee simply submits the accumulated data from the licensee's records, based either on book inventory or on data from a physical inventory, to NRC on Form 742. The requirement to report within thirty days of the ending date is a reasonable measure to ensure

timeliness in receipt of inventory data by NRC in order to maintain material accountability under its statutory responsibility pursuant to the Atomic Energy Act to assure protection of the common defense and security. Moreover, the US/IAEA Safeguards Agreement specifies that reports are to be submitted within 30 days following a physical inventory taking. The Canadian and Australian Bilateral Agreements require that reports be submitted yearly and twice yearly, respectively.

If licensees are not required to submit these reports, NRC will not be able to maintain material accountability under its statutory responsibilities of the Atomic Energy Act.

7. Circumstances which Justify Variation From OMB Guidance

Contrary to OMB guidelines in 5 CFR 1320.5(d), 10 CFR 75.35 requires submission of the report within 30 days or less. This requirement is necessary to satisfy the terms of the US/IAEA Safeguards Agreement (INFCIRC/288).

8. Consultations Outside of NRC

Opportunity for public comment on the information collection requirements was published in the Federal Register on March 20, 2000 (65 FR 15020). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Some proprietary information may be included when necessary to provide an adequate response. An application to withhold such information from public disclosure may be made in accordance with the provisions of 10 CFR 2.790. If any of this information is of particular sensitivity, a request may be made that such information not be physically transmitted to the IAEA; such a request must refer to, and conform with, 10 CFR 74.12.

11. Justification for Sensitive Questions

This information collection does not involve sensitive questions.

12. Estimated Burden and Burden Hour Cost

The burden for preparation and submission of each DOE/NRC Form 742 is estimated to be 45 minutes (0.75 hours). It is estimated, based on submittals to NRC in recent years, that 200 licensees will each submit two DOE/NRC Form 742 per year, resulting in a total of approximately 400 reports submitted annually. Thus, the total burden for all licensees will be 300 hours.

The cost to licensees is calculated at a rate of $143 per hour, based on NRC's fully recoverable fee rate. The annual cost to each respondent to comply with this requirement is estimated to be approximately $215 (2 reports/licensee x 0.75 hours/report x $143/hour). The total annual cost to all affected licensees is estimated to be approximately $43,000.

13. Estimate of Other Additional Costs

None.

14. Estimated Annualized Cost to the Federal Government

The collection of information requires an average of 5 minutes/form of NRC staff time. For approximately 400 reports the collection requires 33-1/3 hours per year (5 minutes/report x 400 reports = 33-1/3 hours/year). Annual labor costs at $143 per staff hour will be $4,766. These costs are fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and 171. Other costs are attributed to operating the Nuclear Materials Management and Safeguards System (NMMSS).[1]

15. Reasons for Change in Burden or Cost

There has been a decrease in the cost for preparing, submitting, and reviewing DOE/NRC Form 742 since the submittal of the previous OMB clearance package. This was due to a decrease in the number of licensees from 300 to 200.

16. Publication for Statistical Use

Results will not be tabulated or published.

17. Reason for Not Displaying the Expiration Date

The expiration date is displayed on DOE/NRC Form 742.

18. Exceptions to the Certification Statement

There are no exceptions.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this collection of information.

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[1] NRC and DOE share the cost of operating the Nuclear Materials Management and Safeguards System (NMMSS). Current NRC cost of the system for FY 00 is $1,336,000. This includes the cost of ADP, record holding, and clerical processing of all forms (DOE/NRC Forms 741, 741A, 740M, 742, and 742C). The cost suballocated to Form 742 is approximately $22,400.

SUPPORTING STATEMENT
FOR
DOE/NRC FORM 742C
"PHYSICAL INVENTORY LISTING"
(3150-0058)

EXTENSION

Description of the Information Collection

NRC regulations in 10 CFR Part 75 establish a system of nuclear material accounting and nuclear material control to implement the Agreement between the United States and the International Atomic Energy Agency (IAEA) for the Application of Safeguards in the United States. Each licensee under this Agreement must establish, maintain, and follow written material accounting and control procedures, including submission of material status reports. The material status report must include a computer-readable DOE/NRC Form 742C, "Physical Inventory Listing," that is used for the semiannual submission of the inventory of nuclear material. The instructions for completing Form 742C are in NUREG/BR-0007, "Instructions for Completing Material Balance Report and Physical Inventory Listing," approved under OMB Clearance No. 3150-0004.

A. JUSTIFICATION

1. Need for and Practical Utility of the Collection of Information

In order for the United States to fulfill its responsibilities as a participant in the US/IAEA Safeguards Agreement and to satisfy bilateral agreements with Australia and Canada and its domestic safeguards responsibilities, it is necessary for licensees affected by 10 CFR Part 75 and related sections of Parts 30, 40, 50, 70, 74, and 150 to submit accounting reports. The accounting reports for each IAEA material balance area must include material status reports based on a physical inventory of nuclear materials actually present.

10 CFR 75.35 requires that each licensee identified by the Agreement submit material status reports for each physical inventory taken as part of the material accounting and control procedures. A computer-readable DOE/NRC Form 742C is used for the collection of the information on the physical inventory of nuclear material.

2. Agency Use of the Information

NRC is required to collect nuclear material inventory information and make it available to the IAEA. The use of DOE/NRC Form 742C, together with NUREG/BR-0007, the instructions for completing the form, enables NRC to collect, retrieve, analyze as necessary, and submit the data to IAEA to fulfill its reporting responsibilities. Use of this report form, in ADP format, enhances NRC's ability to collect and provide this data.

This information is needed to provide to the Australian and Canadian Governments a periodic report showing the inventory of all materials in each U.S. facility that is subject to their respective Bilateral Agreements; to satisfy the terms of the US/IAEA Safeguards Agreement; and for the domestic inspection program.

3. Reduction of Burden Through Information Technology

Licensees previously had the option of submitting the required information on a facsimile of the form or transmitting the information electronically. NRC amended its regulations to require licensees using DOE/NRC Forms 741, 741A, 740M, 742, and 742C to submit such reports in a computer-readable format. This change eliminated the need for hard copy forms and reduced the burden on licensees through the use of current information technology.

4. Effort to Identify Duplication and Use Similar Information

In general, information required by NRC in reports or records concerning the transfer, receipt, or change in inventory of source or special nuclear material does not duplicate other Federal information collection requirements and is not available from any source other than applicants or licensees. Portions of the needed information might be contained in other information submittals to NRC or other Federal agencies. However, duplication, if any, is slight, and the collection of this information by use of specified forms and other required reports and records is the most effective and least burdensome means of obtaining the information.

Submission of similar information on the inventory of nuclear material to the Federal government has been minimized by NRC and the Department of Energy (DOE) jointly utilizing the Nuclear Materials Management and Safeguards System (NMMSS). Common reporting forms are used to minimize the reporting burden on industry members required to provide nuclear material data to one or both agencies in accordance with prevailing regulations or contractual obligations. The licensee is thus able to file one report to meet the requirements of both agencies. Compliance with specific reporting requirements is monitored by the agency for which the specific data are required.

5. Effort to Reduce Small Business Burden.

Most of the licensees affected by reporting requirements using this form have an estimated annual gross income of more than $1 million and a staff of more than 500 people. The NRC has determined that the respondents are not small businesses as that term is used in the Regulatory Flexibility Act.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

Affected licensees are required to submit reports semiannually. This schedule is reasonable because the submission will coincide with taking a physical inventory. The collection and recording of data for inventory purposes is a continuing process that the licensee carries out throughout the year for the licensee's internal records. At the specified times for inventory reports, the licensee simply submits the accumulated data from the licensee's records, based either on book inventory or on data from a physical inventory, to NRC on Form 742C. The requirement to report within thirty days of the ending date is a reasonable measure to ensure timeliness in receipt of inventory data by NRC in order to maintain material accountability under its statutory responsibility pursuant to the Atomic Energy Act to assure protection of the common defense and security. Moreover, the US/IAEA Safeguards Agreement specifies that reports are to be submitted within 30 days following the physical inventory. The Canadian and

Australian Bilateral Agreements require that reports be submitted yearly and twice yearly, respectively.

If licensees are not required to submit these reports, NRC will not be able to maintain material accountability under its statutory responsibilities of the Atomic Energy Act.

7. Circumstances which Justify Variation From OMB Guidance.

Contrary to OMB guidelines in 5 CFR 1320.5(d), 10 CFR 75.35 requires submission of the report within 30 days or less. This requirement is necessary to satisfy the terms of the US/IAEA Safeguards Agreement (INFCIRC/288).

8. Consultations Outside of NRC

Opportunity for public comment on the information collection requirements was published in the Federal Register on March 20, 2000 (65 FR 15020). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of the Information

Proprietary information must be included when necessary to provide an adequate response. An application to withhold such information from public disclosure may be made in accordance with the provisions of 10 CFR 2.790. If any of this information is of particular sensitivity, a request may be made that such information not be physically transmitted to the IAEA; such a request must refer to, and must conform with, 10 CFR 74.12.

11. Justification for Sensitive Questions

This information collection does not involve sensitive questions.

12. Estimated Burden and Burden Hour Cost

The burden for preparation and submission of each report is estimated to be 6 hours. It is estimated, based on submittals to NRC in recent years, that 180 licensees will each submit two DOE/NRC Form 742C per year, resulting in a total of approximately 360 reports submitted annually. Thus, the total burden for all licensees will be 2,160 hours/year.

The cost to licensees is calculated at a rate of $143 per hour, based on NRC's fully recoverable fee rate. The annual cost to each respondent to comply with this requirement is estimated to be $1,716 (6 hrs/report x 2 reports x $143/hr). The total annual cost to all affected licensees is estimated to be $308,880.

13. Estimate of Other Additional Costs

None.

14. Estimated Annualized Cost to the Federal Government

The collection of information requires an average of 5 minutes/form of NRC staff time. Therefore, for approximately 180 respondents reporting semiannually, the estimated annualized cost to the Federal government will be 30 hours/year (5 minutes/ report x 360 reports/year = 30 hours/year). Annual labor costs at $143 per staff hour will be $4,290. These costs are fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and 171. Other costs are attributed to operating the Nuclear Materials Management and Safeguards System (NMMSS).[2]

15. Reasons for Change in Burden or Cost

There has been an increase in the cost for preparing, submitting, and reviewing DOE/NRC Form 742C since the submittal of the previous OMB clearance package. This was due to the increase in professional fees from $132 to $143 per hour and an increase in the number of licensees from 120 to 180.

16. Publication for Statistical Use

None.

17. Reason for Not Displaying the Expiration Date

The expiration date is displayed on DOE/NRC Form 742C.

18. Exceptions to the Certification Statement

There are no exceptions.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this collection of information.

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[2] NRC and DOE share the cost of operating the Nuclear Materials Management and Safeguards System (NMMSS). Current NRC cost of the system for FY00 is $1,336,000. This cost is attributable to nuclear materials transaction and accounting report forms. This includes the cost of ADP, record holding, and clerical processing of all forms (DOE/NRC Forms 741, 741A, 740M, 742, and 742C). The suballocated cost to Form 742C is approximately $9,000.

[7590-01-P]

U. S. NUCLEAR REGULATORY COMMISSION

Agency Information Collection Activities: Submission for OMB Review; Comment request

AGENCY: U. S. Nuclear Regulatory Commission (NRC).

ACTION: Notice of the OMB review of information collection and solicitation of public comment.

SUMMARY: The NRC has recently submitted to OMB for review the following proposal for the collection of information under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35). The NRC hereby informs potential respondents that an agency may not conduct or sponsor, and that a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Information pertaining to the requirement to be submitted:

1. Type of submission, new, revision, or extension: Extension

2. The title of the information collection:

   DOE/NRC Form 742, "Material Balance Report;" NUREG/BR-0007, "Instructions for Completing Material Balance Report and Physical Inventory Listing;" and DOE/NRC Form 742C, "Physical Inventory Listing."

3. The form number, if applicable: DOE/NRC Form 742 and DOE/NRC Form 742C.

4. How often the collection is required: DOE/NRC Forms 742 and 742C are submitted semiannually following a physical inventory of nuclear materials.

5. Who is required or asked to report: Persons licensed to possess specified quantities of special nuclear or source material.

6. An estimate of the number of responses:

   DOE/NRC Form 742 400 responses

   DOE/NRC Form 742C 360 responses

7. The number of annual respondents:

   DOE/NRC Form 742: 200 licensees

   DOE/NRC Form 742C: 180 licensees

8. The number of hours needed annually to complete the requirement or request:

   DOE/NRC Form 742: 300 hours

   DOE/NRC Form 742C: 2,160 hours

9. An indication of whether Section 3507(d), Pub. L. 104-13 applies: Not applicable.

10. Abstract: Each licensee authorized to possess special nuclear material totaling more than 350 grams of contained uranium-235, uranium-233, or plutonium, or any combination thereof, and any licensee authorized to possess 1,000 kilograms of source material is required to submit DOE/NRC Form 742. Reactor licensees required to submit DOE/NRC Form 742, and facilities subject to 10 CFR Part 75, are required to submit DOE/NRC Form 742C. The information is used by NRC to fulfill its responsibilities as a participant in US/IAEA Safeguards Agreement and bilateral agreements with Australia and Canada, and to satisfy its domestic safeguards responsibilities.

A copy of the final supporting statement may be viewed free of charge at the NRC Public Document Room, 2120 L Street, NW (lower level), Washington, DC. OMB clearance requests are available at the NRC worldwide web site (http://www.nrc.gov/NRC/PUBLIC/OMB/index.html). The document will be available on the NRC home page site for 60 days after the signature date of this notice.

Comments and questions should be directed to the OMB reviewer by (insert date 30 days after publication in the Federal Register):

Erik Godwin
Office of Information and Regulatory Affairs (3150-0143)
NEOB-10202
Office of Management and Budget
Washington, DC 20503

Comments can also be submitted by telephone at (202) 395-3087.

The NRC Clearance Officer is Brenda Jo. Shelton, 301-415-7233.

Dated at Rockville, Maryland, this 28th day of June, 2000.

For the Nuclear Regulatory Commission.

/RA/

Brenda Jo. Shelton, NRC Clearance Officer
Office of the Chief Information Officer

Comments and questions should be directed to the OMB reviewer by (insert date 30 days after publication in the Federal Register):

Erik Godwin
Office of Information and Regulatory Affairs (3150-0143)
NEOB-10202
Office of Management and Budget
Washington, DC 20503

Comments can also be submitted by telephone at (202) 395-3087.

The NRC Clearance Officer is Brenda Jo. Shelton, 301-415-7233.

Dated at Rockville, Maryland, this 28th day of June, 2000.

For the Nuclear Regulatory Commission.

/RA/
Brenda Jo. Shelton, NRC Clearance Officer
Office of the Chief Information Officer

*See previous concurrence
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