

OMB SUPPORTING STATEMENT
FOR
PROPOSED RULE AMENDING
10 CFR PARTS 70, 72, and 74
MATERIAL CONTROL AND ACCOUNTING
(3150-0009 and 3150-0123)

DESCRIPTION OF THE INFORMATION COLLECTION

NRC regulations in 10 CFR Parts 70, 72, and 74 establish requirements for material control and accounting (MC&A) of special nuclear material applicable to licensees that possess and use special nuclear material. This proposed rulemaking would revise the timing and frequency for the submittal of Material Balance Reports required by Part 70 and 72 licensees. Licensees use NRC Forms 742 and 742C to submit the Material Balance Reports and Physical Inventory Listing Reports. Under the proposed rule, submittal of the Material Balance Reports would be tied to the physical inventory instead of the specified dates of March 31 and September 30 of each year. This change would result in the majority of licensees submitting only one report a year instead of the currently required two reports.

The proposed rule would also relocate the remaining MC&A requirements in Part 70 to Part 74. Currently, Part 74 contains the MC&A requirements for licensees that possess special nuclear material of strategic significance and low strategic significance, as well as some general MC&A requirements. However, Part 70 still contains the MC&A requirements for licensees that possess special nuclear material of moderate strategic significance and some general MC&A requirements. The MC&A requirements for licensees that possess special nuclear material of moderate strategic significance are being moved to Part 74 and are also being revised to make them more performance oriented. Emphasis has been given to performance requirements rather than prescriptive requirements to allow licensees to select the most cost-effective way to satisfy NRC requirements.

The proposed rule affects the information collection requirements in four OMB clearance approvals. It deletes prescriptive requirements in 10 CFR Part 70 (3150-0009) and adds corresponding performance-based requirements in 10 CFR Part 74 (3150-0123). It reduces the frequency of reporting on NRC Forms 742 (3150-0004) and 742C (3150-0058) as required in Parts 70, 72, and 74. The burden reduction for the reduced reporting frequency on NRC Forms 742 and 742C is included in the separately included OMB supporting statements for these forms. The changes to 10 CFR Part 72 do not affect the information collections contained in Part 72 and are captured against NRC Forms 742 (3150-0004) and 742C (3150-0058).

A. JUSTIFICATION

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

Parts 70, 72, and 74 contain recordkeeping and reporting requirements for licensees that possess and use special nuclear material (SNM). The records required to be maintained pursuant to Sections 74.11, 74.13, 74.15, 74.17, 74.31, 74.33, 74.51, 74.57, and 74.59 are those deemed necessary for the timely discovery of inadvertent losses of SNM to the environment, or the theft or diversion of SNM by potentially hostile groups. Either of these events could endanger the public health and safety. The proposed rule would add §§ 74.19,

74.41, 74.43, and 74.45 to the list. The information collection requirements imposed on the licensee are intended to highlight record anomalies which might indicate loss of material control, to provide necessary information to resolve identified anomalies, to alert the Commission to the condition, and to supply information that would assist in the recovery of SNM in the event of a confirmed loss. Certain of the requirements are necessary to satisfy obligations of the United States government under its agreement with the International Atomic Energy Agency.

The basic requirements proposed for §§ 74.41, 74.43, and 74.45 are currently in Part 70. More flexibility is being provided to the licensees and longer timeframes between inventories, submittal of reports, and evaluations would be provided in the proposed rule. The changes would reduce the burden on any future licensees (no new applicants are anticipated over the next few years) as there are no current licensees that would be affected. The approved program will be used by the appropriate NRC staff to monitor actual licensee performance in reaching the performance objectives. Information recorded and reported in accordance with the requirements in these sections will enable NRC inspectors and licensing personnel to assess licensees' ongoing capabilities to control and account for SNM in their possession. These records and reports will be invaluable to the licensees and the NRC in the event of an attempted diversion or theft. Records on procedures are needed for inspection by NRC to ascertain the continued effectiveness of the MC&A system.

The following sections containing information collections are being revised:

Section 70.51(b) requires each non-exempted licensee to maintain records showing the receipt, inventory (including location), disposal, acquisition, and transfer of all special nuclear material in the licensee's possession. These records are reviewed by NRC inspectors to detect diversion of special nuclear material and to implement prompt action in the event of a diversion. (Licensees subject to the recordkeeping requirements of §§ 74.31, 74.33, and 74.59 are exempted). The proposed rule would remove from Part 70 those requirements that pertain to MC&A (paragraphs (b)(1) through (b)(5)).

Section 70.51(c) requires each licensee who is authorized to possess at any one time more than one effective kilogram of special nuclear material to establish, maintain, and follow written material control and accounting procedures sufficient to enable the licensee to account for the special nuclear material in its possession under license. The procedures will be reviewed by the NRC licensing and inspection staff in order to determine whether the procedures are adequate to prevent diversion of the special nuclear material and to implement prompt action in the event of a diversion. The proposed rule would remove this section from Part 70.

Section 70.51(d) requires each licensee who is authorized to possess at any one time and location more than 350 grams of specified special nuclear material to at least annually conduct a physical inventory of all special nuclear material possessed. This information is used by the licensee and the NRC staff to detect diversion of the special nuclear material and to initiate prompt action in the event of a diversion. The proposed rule would remove this section from Part 70.

Section 70.51(e) requires each licensee who is authorized to possess at any one time special nuclear material in a quantity exceeding one effective kilogram with certain exceptions to

maintain procedures for the safeguarding of the material, conduct physical inventories, and maintain a system of material control and accountability records. These records are used by the licensee and the NRC staff to detect diversion of the nuclear material and to implement prompt action in the event of a diversion. The proposed rule would remove this section from Part 70.

Section 70.51(f) requires each licensee covered under Section 70.51(e) to establish physical inventory procedures. The records of these procedures are reviewed by the NRC licensing and inspection staff to determine whether the procedures are adequate to prevent diversion of the special nuclear material and to implement prompt action in the event of a diversion. The proposed rule would remove this section from Part 70.

Section 70.52(a) requires that a licensee report an accidental criticality or any loss of special nuclear material to the NRC Operations Center within one hour of discovery. This information is necessary to promptly inform NRC of particularly serious maloperations or accidents in licensed facilities or activities. The information is evaluated by NRC to determine whether any immediate response or corrective action may be necessary. The requirement to report any loss of special nuclear material within one hour of discovery would be removed from Part 70. The requirement to report an accidental criticality is retained.

Section 70.52(b) requires that any theft or attempted theft or other unlawful diversion of significant amounts of special nuclear material must be reported to the NRC Operations Center within one hour of discovery. This information is used by the NRC staff to implement prompt action to determine whether there has been a diversion or other loss of material and to initiate prompt action in the event of such diversion or loss. The proposed rule would remove this section from Part 70.

Section 70.53(a) requires completion and submission of Material Balance Reports and Material Status Reports in accordance with the provisions of Section 74.13. The burden for Section 74.13(a) is cleared under OMB Clearance Nos. 3150-0004 and 3150-0058, which should be referred to for further supporting information, burden and cost data. The proposed rule would remove this section from Part 70. The burden for Part 70 is not affected.

Section 70.53(b) requires each licensee covered under Section 70.51(e) to follow the requirements of Sections 74.13(b) (Material Status Report) and 74.17(b) (Special Nuclear Material Physical Inventory Summary Report). Sections 74.13(b) and 74.17(b) have been previously cleared under OMB Clearance No. 3150-0123. The Special Nuclear Material Physical Inventory Summary Report required by § 74.17 is submitted on DOE/NRC Form 327, which is cleared under OMB Clearance No. 3150-0139. The foregoing clearances should be referred to for further supporting information, burden and cost data. The proposed rule would remove this section from Part 70.

Section 70.54 requires each licensee who transfers and each licensee who receives special nuclear material to follow the requirements of Section 74.15, which requires completion and distribution of Nuclear Material Transaction Reports, DOE/NRC Form 741. The information will be used by the NRC staff to determine whether there is loss or diversion of special nuclear material and to implement action in the event of such loss or diversion. Section 74.15 is cleared under OMB Clearance No. 3150-0123 and DOE/NRC Form 741 is cleared under OMB

Clearance Number 3150-0003. Those clearances should be referred to for further supporting information, burden, and cost data. The proposed rule would remove this section from Part 70.

Section 70.57(b) requires that each licensee authorized to possess, at any one time and location, strategic special nuclear material in irradiated fuel reprocessing operations, or special nuclear material of moderate strategic significance in a quantity in excess of one effective kilogram, with the exception of sealed sources and reactor or waste disposal operations, establish and maintain a measurement control program in accordance with specified criteria, including provisions for recording and reporting data and results of audits, analyses and studies to management. The program is needed to assure the quality of material control and accounting measurements. The information is used by the licensee to carry out its measurement control and accounting operations and is reviewed by NRC inspectors to ensure the adequacy of the licensee's measurement control and accounting programs and compliance with NRC regulations. The information is also necessary to ensure that the licensee can rapidly and accurately determine the amount of SNM in its control and identify any potential diversion of that material. The proposed rule would remove this section from Part 70.

Section 70.57(c) requires that applicants and licensees subject to the provisions of Section 70.57(b) submit for Commission approval a detailed plan describing the program for compliance with those provisions. The submittal would be used by the NRC staff to ensure the adequacy of the licensee's measurement control program for special nuclear material. All current licensees have submitted such plans. There have been no new applicants subject to this requirement for several years and none are anticipated in the next several years. The submittal would be required, however, for any new facility that were to come on line in the future. The proposed rule would remove this section from Part 70.

Section 70.58 establishes fundamental nuclear material control requirements applicable to each licensee who is authorized to possess, at any one time and location, strategic special nuclear material in irradiated fuel reprocessing operations, or special nuclear material of moderate strategic significance in a quantity in excess of one effective kilogram, with the exception of sealed sources and reactor or waste disposal operations. The written procedures and records required to be maintained provide for (1) documentation of qualifications, authorities, responsibilities, and functional and organizational relationships of material control and accounting personnel, (2) records of reviews and audits of the nuclear material control system, (3) records of the shipper-receiver difference evaluations, investigations and corrective actions, and (4) documentation of the location of special nuclear material within the plant. These procedures and records provide a basis for licensee and NRC personnel to determine that the nuclear material control and accounting system is operating as required and to reconcile material accounting balances. The proposed rule would remove this section from Part 70.

Section 72.76 requires, for all licensees not subject to the requirements of Section 75.35, semiannual submittal of Material Status Reports on DOE/NRC Form 742 and DOE/NRC Form 742C, providing information concerning the special nuclear material contained in spent fuel possessed, received, transferred, disposed of, or lost by the licensee. The proposed rule would change the frequency of submittal from semiannual to once a year. The information is required in order for the United States to fulfill its responsibilities as a participant in the US/IAEA Safeguards Agreement and to satisfy bilateral agreements. e.g., with Australia and Canada, and to fulfill its domestic safeguards responsibilities. The information is reported on DOE/NRC

Forms 742 and 742C, which have been previously approved by OMB under clearance numbers 3150-0004 and 3150-0058 and which should be referred to for information collection and reporting data.

Section 74.13(a) requires each licensee authorized to possess at any one time and location SNM in a quantity totaling more than 350 grams of contained uranium-235, uranium-233, or plutonium, to submit DOE/NRC Form 742 on a semiannual basis (March 31 and September 30 of each year). The proposed rule would change the frequency to coincide with a licensee's physical inventory. Therefore, Category III facilities would file annually, Category II facilities would file every 9 months (the proposed rule changes the frequency for conducting a physical inventory to every 9 months from the current 2 to 6 months), and Category I facilities would continue to file semiannually. These reports summarize the quantities of SNM received, produced, possessed, transferred, consumed, disposed of, or lost by the licensee. DOE/NRC Form 742C, which reflects the composition of the ending inventory, is also submitted. The information is required in order for the United States to fulfill its responsibilities as a participant in the US/IAEA Safeguards Agreement and to satisfy bilateral agreements, e.g., with Australia and Canada, and to fulfill its domestic safeguards responsibilities. These forms have been previously approved by OMB under clearance numbers 3150-0004 and 3150-0058

The licensee reports are sent to a DOE contractor facility for recording in an SNM tracking system. NRC staff reviews these reports. Discrepancies between the reports and licensees' records are investigated and reconciled.

Current Section 74.13(b) requires each licensee subject to the requirements of § 70.51(e) to submit a report to the Director, Office of Nuclear Material Safety and Safeguards, within 30 calendar days after the start of each annual physical inventory if the inventory difference exceeded both (i) its associated limit of error and (ii) 200 grams of plutonium or U-233, 300 grams of high enriched uranium or U-235 contained in high enriched uranium or 9,000 grams of U-235 contained in low enriched uranium, containing a statement of possible causes for the inventory differences and action taken or planned to be taken to correct the inventory difference. This section also requires that, if for any material balance period limit of error of the inventory difference exceeds any applicable limits specified in § 70.51(e)(5) or approved pursuant to § 70.51(e)(6), a statement must be submitted of the probable reasons for the limit of error and actions taken or planned to be taken with respect to the limit of error. The proposed rule would remove this section from Part 74. The reporting requirement will be captured by new section 74.43(c)(8).

Section 74.17 requires that each licensee subject to the requirements of Sections 70.51(e), 74.31, 74.33, or 74.51 must submit a completed Special Nuclear Material Summary Report on NRC Form 327 to the Director, Office of Nuclear Material Safety and Safeguards or in the case of § 74.51 to the appropriate regional office. The reporting period corresponds to the required inventory frequency. The frequency depends essentially on the strategic significance of the special nuclear material (SNM) covered by the particular license. The proposed rule would require all reports to be sent to the Director, Office of Nuclear Material Safety and Safeguards. The proposed rule also changes § 70.51(e) to § 74.41 to reflect the relocation of MC&A requirements from Part 70 to Part 74.

Special nuclear material is required to be controlled and accounted for because of the government's national security obligation to prevent or detect loss, diversion or theft, or the appearance thereof, of quantities of SNM that could be used for clandestine nuclear devices. To meet this obligation, NRC's safeguards material control and accounting regulations for fuel facilities require the conduct of physical inventories of SNM on a periodic basis by licensees. Section 74.17 requires the reporting of physical inventory results on NRC Form 327 each time that a physical inventory is conducted by a major fuel facility. NRC Form 327 is approved under clearance number 3150-0139.

A new Section 74.19(a) would require that each non-exempted licensee maintain records showing the receipt, inventory (including location), disposal, acquisition, and transfer of all special nuclear material in the licensee's possession. These requirements are currently located in Part 70. These records are reviewed by NRC inspectors to detect diversion of special nuclear material and to implement prompt action in the event of a diversion.

A new Section 74.19(b) would require that each licensee who is authorized to possess at any one time more than one effective kilogram of special nuclear material to establish, maintain, and follow written material control and accounting procedures sufficient to enable the licensee to account for the special nuclear material in its possession under license. These requirements are currently in Part 70. The procedures will be reviewed by the NRC licensing and inspection staff in order to determine whether the procedures are adequate to prevent diversion of the nuclear material and to implement prompt action in the event of a diversion.

A new Section 74.19(c) would require that each licensee who is authorized to possess at any one time and location more than 350 grams of specified special nuclear material to at least annually conduct a physical inventory of all special nuclear material possessed. These requirements are currently located in Part 70. This information is used by the licensee and the NRC staff to detect diversion of the special nuclear material and to initiate prompt action in the event of a diversion.

Section 74.31 contains the following requirements for licensees that possess and use SNM of low strategic significance: Section 74.31(a) requires that licensees authorized to possess and use more than one effective kilogram of special nuclear material of low strategic significance implement and maintain an NRC approved material control and accounting (MC&A) system that will confirm the presence of special nuclear materials at the licensee facility, resolve indications of potentially missing material, and aid in investigation and recovery of material that is determined to be actually missing.

Section 74.31(b) established a time requirement for the submission and implementation of MC&A plans for licensees authorized to possess and use more than one effective kilogram of special nuclear material of low strategic significance, as required by § 74.31(a). The objectives of the plan are to confirm the presence of special nuclear materials at the licensee facility, resolve indications of potentially missing material, and aid in investigation and recovery of material that is determined to be actually missing. This was a one-time submittal. All currently affected licensees have submitted the required plans. Changes to the Fundamental Nuclear Material Control (FNMC) Plan can be made through license amendments (licensing process).

Section 74.31(c) describes the system capabilities that must be addressed in the plan in order to meet the general performance objectives of § 74.31(a). Guidance for preparing the plan is provided in the Acceptance Criteria document (NUREG 1065). The plan is reviewed by the NRC staff to determine whether the performance criteria have been satisfied. Initial NRC response to the plan is usually sent to the licensee within 60 days of receipt and docketing. The approved plan will be used by the appropriate NRC staff to monitor actual licensee performance in reaching the performance objectives.

Section 74.31(d) requires each licensee to establish records that will demonstrate that the requirements of § 74.31(c) have been met and to maintain those records for three years. The records to be maintained are selected by the licensee. The 3-year retention period is the shortest time span which assures the NRC that all data are available which might affect the audit period. The proposed rule removes the outdated implementation dates and clarifies the requirements. Only new licensees and those modifying their license such that they are subject to the requirements of § 74.31(a) will be required to submit an FNMC Plan. No new applications are expected.

Subpart D Sections 74.41- 74.45: SNM of Moderate Strategic Significance

A new Section 74.41(a) would require each licensee authorized to possess special nuclear material of moderate strategic significance other than as sealed sources and to use such material at any site, other than a nuclear reactor licensed pursuant to Part 50, an irradiated fuel reprocessing plant, or an operation involved with waste disposal, to establish, implement and maintain an NRC-approved material control and accounting system that will confirm the presence of special nuclear material at the licensee facility, resolve any indications of potentially missing material, and aid in investigation and recovery of material that is determined to be actually missing.

A new Section 74.41(b) would establish a time requirement for the submission and implementation of FNMC Plans for licensees authorized to possess and use special nuclear material of moderate strategic significance. This is a one-time submittal. There are no currently affected licensees that would be required to submit a new FNMC Plan. There have been no new applicants subject to this requirement (previously in Part 70) for many years, and none are anticipated in the next several years. The submittal would be required, however, for any new facility that were to come on line in the future. Changes to the FNMC Plan can be through license amendments (licensing process). The plan is reviewed by the NRC staff to determine whether the performance criteria have been satisfied. Initial NRC response to the plans is usually sent to the licensee within 60 days of receipt and docketing. The approved plan will be used by the appropriate NRC staff to monitor actual licensee performance in reaching the performance objectives.

A new Section 74.41(c) would describe the system capabilities that must be addressed in the FNMC Plan in order to meet the general performance objectives of § 74.41(a).

A new Section 74.43 would require each licensee subject to § 74.41 to maintain internal control, inventory, and recordkeeping capabilities. Section 74.43(b) would require each licensee to establish and maintain a management structure, policies, and written procedures; provide for personnel training and qualification; establish and maintain an item control program and to

conduct and document shipper-receiver differences; and perform independent assessments of the total MC&A system every 18 months. The burden for maintenance of these procedures is captured by § 74.43(d).

A new Section 74.43(c) would require each licensee to perform a physical inventory every nine months and perform inventory difference/standard error of inventory difference (ID/SEID) calculations, and ID/SEID investigations. Licensees must investigate and report the failure to resolve any excessive inventory differences. The report is used to alert the NRC staff to a potential "out of control situation" at a licensee site. If the size of the inventory difference is significant, an inspector from the NRC Headquarters usually visits the site to oversee and review the resolution of the inventory difference and the corrective action to be taken. Each licensee must reconcile and adjust the plant and book records to the results of the physical inventory. Each licensee is required to maintain and follow procedures for tamper-safing, for confirming the validity of prior measurements associated with unencapsulated and unsealed items on ending inventory, and for the physical inventory. The maintenance of these procedures is captured under § 74.43(d). Each licensee is also required to provide unique identification for each item in inventory and to document all transfers between internal control areas.

Section 74.43(d) would require that licensees maintain records of receipt, shipment, disposal, inventory, SNM added to and removed from process, and shipper-receiver evaluations. Records pertaining to receipt and disposal of SNM are to be retained until the license is terminated. Each licensee would be required to establish auditable records sufficient to demonstrate the performance requirements of §§74.41, 74.43, and 74.45 have been met and retain those records for at least three years. The MC&A procedures are required to be kept until the license is terminated and superceded portions must be retained for 3 years after the portion is superceded. Unless otherwise stated, records are maintained for 3 years. These records are needed for inspection by NRC to ascertain the continued effectiveness of the MC&A system.

A new Section 74.45(a) and (b) would require each licensee subject to § 74.41 to establish, maintain, and implement a program for the measurement of all special nuclear material (with specified exceptions) received, produced, transferred between internal control areas, on inventory, or shipped, discarded, or otherwise removed from inventory. Each licensee would be required to develop and use written procedures for preparing, acquiring, maintaining, storing, and using reference standards; calibrating measurement systems and conducting measurements; and recording, reviewing, and reporting measurements. The burden for maintenance of these procedures is captured under Section 74.43(d). These records are needed for inspection by NRC to ascertain the continued effectiveness of the MC&A system.

A new Section 74.45(c) would require each licensee to maintain measurement quality and to estimate measurement uncertainty values. Each licensee is to establish and maintain a measurement control program so that the SEID is less than 0.125 percent of the active inventory, generate data on the performance of each measurement system utilized, conduct control measurements to provide data for the determination of random error behavior, evaluate all measurement system data to determine significant contributors to the measurement uncertainties associated with inventory difference and shipper-receiver differences, and establish and maintain a statistical control system designed to monitor the quality of each

measurement device or system. Each licensee must promptly investigate and take corrective action whenever a control datum exceeds certain limits. Each licensee must assign responsibility for the measurement program and ensure that any contractor conforms with the applicable requirements.

Section 74.51(c) requires licensees authorized to possess and use five or more formula kilograms of strategic SNM to submit a fundamental nuclear material control plan that describes how the licensee intends to comply with Section 74.51(b) in order to achieve the general performance objectives of Section 74.51(a). The proposed rule removes outdated implementation dates and does not impact the information collection requirements. Guidance for preparing the plan is provided in the Standard Format and Content Acceptance Criteria document (NUREG 1280). Review of the FNMC plans enables the NRC to make a judgment on each licensee's capabilities to meet regulatory requirements. After approval, the plans are used by NRC inspectors to monitor licensee performance. The proposed rule removes the outdated implementation dates and clarifies the requirements. Only new licensees and those modifying their license such that they are subject to the requirements of § 74.51(a) will be required to submit an FNMC Plan. No new applications are expected.

Section 74.57(c) requires that a licensee must notify NRC immediately any time the licensee is unable to resolve a loss detection alarm within the time limit specified in its FNMC plan. In the case of a five formula kilogram loss, the maximum time for resolution is 24 hours. The proposed rule would change the point of notification from an outdated organization and phone number to the NRC Operations Center. The early notification puts the NRC on alert to a potential loss of strategic SNM and thus allows for contingency planning in the event a diversion or theft is indicated. NRC and possibly other federal agency involvement at an early stage will enhance the likelihood of material recovery. There is no change in the information collection.

Section 74.57(f)(2) requires that licensees notify NRC within 24 hours if an abrupt loss detection estimate exceeds five formula kilograms of strategic special nuclear material. The proposed rule would change the notification contact from an outdated organization to the NRC Operations Center. The early notification puts the NRC on alert to a potential loss of strategic SNM and thus allows for contingency planning in the event a diversion or theft is indicated. NRC and possibly other federal agency involvement at an early stage will enhance the likelihood of material recovery. There is no change in the information collection.

Section 74.59(f) requires that licensees perform a physical inventory every six months and perform inventory difference/standard error of inventory difference (ID/SEID) calculations, and ID/SEID investigations. Licensees must investigate and report the failure to resolve any excessive inventory difference. They must reconcile and adjust the plant and subsidiary book records to the results of the physical inventory. Licensees must maintain records and procedures to ensure the quality of physical inventories. The proposed rule would change the notification contact from an outdated organization to the NRC Operations Center. There is no change in the information collection.

Information recorded and reported in accordance with the requirements in this section will enable NRC inspectors and licensing personnel to assess licensees' ongoing capabilities to control and account for strategic SNM in their possession. As indicated previously, these

records and reports will be invaluable to the licensees and the NRC in the event of an attempted diversion or theft since they will permit localization of losses in space and time.

2. Agency Use of Information

Fundamental nuclear material control plans (FNMCS) that describe how licensees intend to comply with the requirements of the regulations are required to be submitted for review and approval. Approved plans are the basis for inspections by NRC inspectors who must verify that the licensee is in compliance with the performance objectives specified in the regulations. Plan reviews are initiated within 30 days after submittal. The availability of supporting acceptance criteria contributes to expeditious plan reviews. Reports of unresolved inventory differences and abnormalities identified through physical inventories, material control tests, and item monitoring are reviewed by NRC as soon as possible after receipt. Records of material control tests and anomaly investigation are maintained by the licensees in order that inspectors may determine that performance objectives and commitments have been met.

3. Reduction of Burden Through Information Technology

There are no legal obstacles to reducing the burden associated with this information collection. Applicants and licensees may use electronic information processing systems to prepare and submit required information. Licensees have had the option of preparing certain of the reports on a computer generated facsimile of the report form and transmitting the information electronically. Since 1994, NRC has required those licensees using DOE/NRC Forms 741, 741A, 740M, 742, and 742C to submit those reports in computer readable form. This change eliminated the need for hard copy forms, thus reducing the burden on NRC and the licensees through the use of current information technology. Almost 100 percent of the forms are now submitted electronically. The forms are separately cleared under OMB clearance approvals 3150-0003, 3150-0057, 3150-0004, and 3150-0058, respectively. Other submittals required under Part 74 are less susceptible to electronic submittal. The percentage of submittals received electronically under Part 74 other than the previously mentioned DOE/NRC forms is approximately zero.

4. Effort to Identify Duplication and Use Similar Information

In an effort to minimize duplication and licensee burden, NRC and the Department of Energy (DOE) jointly utilize a Nuclear Materials Management and Safeguards System (NMMSS). Common reporting forms are used to minimize the reporting burden on industry members required to provide nuclear materials 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.

The Information Requirements Control Automated System (IRCAS) was searched to determine duplication. None was found.

To the extent possible, the information collection requirements have been structured to permit licensees to use information already generated for other purposes such as production control, quality control, product certification, etc. Where new information must be generated, there is no other source that could be used.

5. Effort to Reduce Small Business Burden

A number of licensees who use special nuclear material are small businesses. Since the consequences to the common defense and security or to the health and safety of the public of the improper control or use of a given quantity of special nuclear material are the same for large and small entities, it is not possible to reduce the burden on small businesses by less frequent or less complete accounting or control procedures.

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

If the information collection is not conducted, NRC will have no way to assess whether licensees are operating within the material control and accounting requirements and certain other requirements applicable to the possession, use, and transfer of special nuclear material.

7. Circumstances Which Justify Variation from OMB Guidelines

Licensees must retain each record pertaining to receipt and disposal of SNM until the Commission terminates the license. If any SNM is unaccounted for at the time of decommissioning, these records would be essential in determining the actual disposition of the material.

Licensees are also required to retain procedures until the Commission terminates the license. Procedures are required for most activities. Information in the procedures may be used to determine if a violation occurred.

8. Consultations Outside the Agency

Opportunity to comment on the proposed rule's information collection requirements has been published in the Federal Register.

9. Payments or Gifts to Respondents

Not applicable.

10. Confidentiality of the Information

None, except for proprietary or safeguards information.

11. Justification for Sensitive Questions

There are no sensitive questions.

12. Estimated Burden and Burden Hour Cost

See attached chart, "Estimate of Compliance Burden for Proposed Rule," for the estimated burden and burden hour cost.

13. Estimate of Other Additional Costs

There are no other additional costs.

14. Estimated Annualized Cost to the Federal Government

There is no increased cost to the government as a result of this rule. No additional inspections or reviews are expected as a result of this rulemaking.

Current costs are fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and/or 171.

15. Reasons for Changes in Burden or Cost

The burden for Part 74 will increase by 1736 hours. This is due to the relocation of requirements from Part 70. The burden for Part 70 will be reduced by 1768 hours. This is because the Part 70 requirements are being relocated to Part 74. There is also a 32 hour reduction because the only Category II facility is undergoing decommissioning and is unlikely to report a loss or theft of special nuclear material (§ 70.52). No overall new burden is being imposed by these changes. The only Category II facility will not be required to change its FNMC Plan because it is no longer an actively operating facility. No new applications are anticipated.

The burden reduction for the submittal of Material Balance Reports and the Physical Inventory Listing reports is covered in the separate supporting statements for DOE/NRC Forms 742 and 742C.

16. Publication for Statistical Use

None.

17. Reason for Not Displaying the Expiration Date

The requirements will be contained in a regulation. Amending the Code of Federal Regulations to display information that, in an annual publication, could become obsolete would be unduly burdensome and too difficult to keep current.

For the information collections contained in the guidance documents NUREG 1065, NUREG/CR 5734, and NUREG 1280, revising the guidance documents merely to update the expiration date unnecessarily expends scarce agency resources.

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.

Estimate of Compliance Burden for Proposed Rule

Reporting Requirements

PART 70

Section	No. of Licensees responses annually	Licensee Staff Hours per Submittal	Total Licensee Burden Hours	Total Costs at \$143 per hour
70.52(a)	(1)	(16)	(16)	(\$2288)
70.52(b)	(1)	(16)	(16)	(\$2288)
70.53(a) - (See OMB Clearance 3150-0004 & 58)				
70.53(b) - (See OMB Clearance 3150-0004 & 139)				
70.54 - (See OMB Clearance 3150-0003)				
70.57(c)	0	0	0	0
Total	(2)		(32)	(\$4576)

PART 72

Section	No. of Licensees Responses Annually	Licensee Staff Hours per Submittal	Total Licensee Burden Hours	Total Costs at \$143 per hour
72.76 - covered under OMB clearance 3150-0004 and 3150-0058				

PART 74

Section	No. of Licensee Responses Annually	Licensee Staff Hours Per Submittal	Total Licensee Annual Burden Hours	Total Costs at \$143 per Hour
74.13(a) - covered under OMB clearances 3150-0004 and 3150-0058				
74.13 (b) (section being deleted)	(1)	(100)	(100)	(\$14,300)
74.17 - covered under OMB clearance 3150-0139				
74.31(a),(b),(c)	0	885	0	0
74.41(b)	0	885	0	0
74.43(c)(8)	1	100	100	\$14,300
74.51(c)	0	900	0	0
74.57(c)	no change			
74.57(f)(2)	no change			
74.59(f)	no change			
Total			0	0

Recordkeeping Requirements

Part 70

Section	No. of Licensee Recordkeepers	Annual Hours per Recordkeeper	Total Annual Hours for Recordkeeping	Record retention period
70.51(b) - Included in 70.58				Varies - 3 yrs to duration of license
70.51(c) - Included in 70.58				Duration of possession of material plus 3 yrs
70.51(d)	200	(8)	(1600)	Duration of possession of material plus 3 yrs
70.51(e) - Included in 70.58				3 years
70.51(f) - Included in 70.58				3 years
70.57(b)	1	(16)	(16)	Varies - 3 yrs to duration of license
70.58	1	(120)	(120)	Varies - 3 yrs to duration of license
Total			(1736)	

PART 74

Section	No. of Licensee Recordkeepers	Annual Hours per Recordkeeper	Total Annual Hours for Recordkeeping	Record retention period
74.19	200	8	1600	Varies - 3 yrs to duration of license
74.41(a) and (c) - included in 74.43(d)				Duration of license
74.43(d)	1	120	120	Varies - 3 yrs to duration of license
74.45	1	16	16	Varies - 3 yrs to duration of license
Total			1736	

Total Reporting and Recordkeeping Burden

Type	Total Licensee Burden Hours
Part 70 Reporting	(32)
Part 70 Recordkeeping	(1736)
Part 70 Total (3150-0009)	(1768)
Part 74 Reporting	0
Part 74 Recordkeeping	1736
Part 74 Total (3150-0123)	1736