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NUCLEAR ENERGY INSTITUTE

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VIA ELECTRONIC MAIL

Ms. Annette L. Vietti-Cook
U.S. Nuclear Regulatory Commission
Attn: Rulemakings and Adjudications Staff
Washington, D.C. 20555-0001

REFERENCE: Request for Comments on the Reporting and Recordkeeping Requirements associated with the Nuclear Regulatory Commission's "Proposed Rule, 10 CFR Parts 51, 61, 70, 72, 73, 74, 75, 76 and 150. Material Control and Accounting Amendments" [66 FR 29251-29268, dated May 25, 2001]

Dear Ms. Vietti-Cook:

The Nuclear Energy Institute (NEI)¹ on behalf of its industry members is submitting the attached comments on the reporting and recordkeeping requirements associated with proposed amendments to the Material Control and Accounting (MC&A) regulations for Special Nuclear Material (SNM). These comments are based on a review of the NRC's Federal Register notice [66 FR 29251-29268 dated May 30, 2001] and a comparison with existing MC&A practices. Industry supports the proposed regulatory revisions. The decreased frequency of SNM inventory reporting for Category II and III facilities (from semi-annual to annual and coincident with the annual physical inventory) will reduce the regulatory burden on licensees, while permitting the NRC to fulfill its mandate to accurately track movements and inventories of SNM. Consolidation of MC&A

¹ NEI is the organization responsible for establishing unified nuclear industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all utilities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel fabrication facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

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regulations into one part of Title 10 of the Code of Federal Regulations is useful and partial harmonization of the inventory reporting requirements of 10 CFR Parts 74 and 75 is commendable.

In response to the four questions posed in the Federal Register notice [Page 29257], we provide the following comments:

(1) Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility?

The NRC has a mandate "...to ensure adequate protection of the public health and safety, the common defense and security and the environment in the use of nuclear materials..." Collection and analysis of SNM inventory data from Material Balance Reports and Physical Inventory Listing Reports is necessary to enable NRC reconciliation of licensee records and records maintained by the Nuclear Materials Management and Safeguards System on the quantities of SNM in the fuel cycle. These data are used to detect any losses or diversions of SNM that could pose either a national security threat or a danger to public health and safety. Finally, the data are needed to enable compliance with provisions of the *Agreement Between the United States and the International Atomic Energy Agency for the Application of Safeguards*. The inventory data are, therefore, essential for the NRC to execute its mission and they do have practical utility.

(2) Is the burden estimate accurate?

The NRC's regulatory analysis of the proposed rule changes forecasts a slight decrease in annual licensee resources needed to comply with the proposed MC&A amendments (~7 hours/licensee). An overall annual reduction of 1.2 FTE is forecast in NRC staff resources, primarily as a result of the fewer number of Material Balance and Inventory Composition Reports to be reviewed. The NRC proposes to cease use of DOE/NRC Forms 742 and 742C in favor of electronic submission of information. If the electronic data submission formats closely resemble those of Forms 742 and 742C, no change in required licensee resources should be expected. As the NRC's *Electronic Information Exchange (EIE)* system is not yet functional for Part 70 and 76 licensees, both licensees and the NRC could possibly incur significant resources in implementing electronic data submission protocols. We believe that the reporting burdens for a licensee selected by the NRC to report inventory information in accordance with 10 CFR 75 should not be more onerous than for a licensee reporting under Part 74. The proposed amendments move in this direction. Finally, no provision seems to have been made to update NRC guidance documents (e.g. NUREG/BR-0007)

with the new amendments. In general, we believe the estimated agency savings are reasonable.

(3) Is there a way to enhance the quality, utility, and clarity of the information to be collected?

Industry finds the formats of the current Material Balance Reports and Physical Inventory Listing Reports to be clear and straightforward. No changes are recommended. We would recommend that the NRC evaluate the data library that is created through this system to assure that it can be readily accessed and the data retrieved in various combinations.

(4) How can the burden of the information collection be minimized?

The ease of compliance with the NRC's MC&A reporting requirements is primarily dependent upon the design and efficacy of a licensee's Fundamental Nuclear Material Control Plan for recording the receipt, inventory, disposal and transfer of SNM. The annual (or semi-annual) reporting of this information to the NRC by means of Material Balance and Physical Inventory Listing Reports is not an overly burdensome process. Individual licensees may attempt to further minimize the burden of inventory data collection through the design and installation of facility-wide automated collection techniques, but the decision to do so remains the prerogative of the licensee and is not required by regulation.

NEI appreciates the opportunity to comment upon the anticipated changes in reporting and recordkeeping requirements. Overall, we are supportive of the proposed amendments to the MC&A regulations and believe that they will reduce the resource demands placed on both the NRC and individual licensees. I should be pleased to answer any questions that you may have pertaining to our comments.

Sincerely,



Felix M. Killar, Jr.