

DRAFT OMB SUPPORTING STATEMENT
FOR
DOE/NRC FORM 740M
CONCISE NOTE
(3150-0057)

EXTENSION

Description of the Information Collection

NRC is required to collect nuclear material transaction information for domestic safeguards use and make it available to the International Atomic Energy Agency (IAEA). DOE/NRC Form 740M, "Concise Note," is used to provide information concerning qualifying statements or exceptions to other data forms submitted. Only those facilities which have been notified by letter from NRC that they are subject to Part 75 and those licensees who import or export nuclear materials are affected.

A. JUSTIFICATION

1. Need for and Practical Utility of the Information Collection

In order for the United States to fulfill its responsibilities as a participant in the US/IAEA Safeguards Agreement and satisfy its domestic safeguards responsibilities, it is necessary for NRC to require that DOE/NRC Form 740M, "Concise Note," be submitted by licensees affected by Part 75 and licensees who import or export nuclear material. This submittal informs the U.S. or the IAEA of any qualifying statement or exception to any of the data contained in any of the other reporting forms required under the US/IAEA Safeguards Agreement.

2. Agency Use of Information

The use of Form 740M, together with NUREG/BR-0006 Revision 4, 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. Without this report form, in ADP format, NRC's ability to collect and provide this data would be severely limited.

3. Reduction of Burden Through Information Technology

There are no legal obstacles to reducing the burden associated with this information collection. NRC regulations require those licensees using DOE/NRC Form 740M to submit such reports in computer readable form. This requirement means that hard copy forms need not be submitted and minimizes burden on licensees through the use of current information technology.

4. Effort to Identify Duplication and Use Similar Information

The Information Requirements Control Automated System (IRCAS) was searched to determine NRC duplication. No duplication was found. NRC and the Department of Energy jointly utilize the Nuclear Materials Management and Safeguards System (NMMSS) to process and store and subsequently retrieve the information contained on the forms. The licensee is able to file one form to meet the requirements of both agencies. This minimizes the reporting burden on industry members required to provide nuclear material data to both agencies.

5. Effort to Reduce Small Business Burden

Burden on licensees will vary with the size and types of licensed operations. The burden on small businesses will represent approximately five percent of the total burden. Since the health and safety consequences of improper inventorying and accounting of special nuclear material (SNM) or source 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 reporting, recordkeeping, or accounting and control procedures.

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

Collection of the subject information corresponds to the physical movement or transmutation of SNM or source material covered by the regulation. The information is generally collected from the shipper immediately following dispatch and from the receiver within 10 days of receipt. Industry has suggested a review of the need for Form-740M. NRC is reviewing this suggestion and will reflect the results in the update of NUREG/BR-0006 Revision 4 that is currently being performed. If the requested information is not collected or is collected less frequently, the NRC would be unable to have current knowledge of locations of nuclear materials as is required by international agreement and domestic safeguards responsibilities.

7. Circumstances which Justify Variation from OMB Guidelines

There is no variation from OMB guidelines.

8. Consultations Outside NRC

An opportunity for public comment on the information collection requirements for this clearance package has been published in the Federal Register.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Information on the form that respondents indicate is business or financial confidential may qualify for protection from disclosure under 10 CFR 2.790.

11. Justification for Sensitive Questions

None.

12. Estimated Burden and Burden Hour Cost

Approximately 15 licensees will have to submit Form 740M annually. Forms and instructions are provided to all affected licensees by NRC. Reports are required as occasioned by occurrence of specified events, such as the receipt, transfer, or adjustment to inventory of licensed material. Reports are collected on a continuing basis as transactions occur. Reports

must be submitted in computer readable format. The data is entered into NMMSS as received. The information is not compiled or published.

The respondents are expected to submit an average of 10 forms each, annually. A total of approximately 150 reports are expected to be submitted annually. The burden of preparation and submission of each report is estimated to be 0.75 hours. The total resulting burden for required submissions of the form by all licensees will be 113 (15 licensees x 10 reports/licensee x 0.75 hrs/report).

The annual cost to each respondent to comply with this requirement is estimated to be \$1,084 (113 hrs/15 licensees x \$144/hr). The total annual cost to all affected licensees is estimated to be \$16,200 (7.5 hrs/licensee x 15 licensees x \$144/hr). Cost estimates are calculated at a rate of \$144 per hour, which is based on NRC's fee recovery rate.

13. Estimate of Other Additional Costs

There are no additional costs associated with this reporting requirement.

14. Estimated Annualized Cost to Federal Government

The collected information is not submitted to the NRC. Licensees report directly to the DOE NMMSS contractor. The data contained in the NMMSS is available to various NRC staff who utilize it to perform their assigned job functions, but the individual submissions are not reviewed by NRC staff. The NRC provides a portion of the funding for operation of the NMMSS on an annual basis. The amount allocated for this purpose for fiscal year 2001 is \$1,400,000 for information filed under Forms 740M, 741 and 741A, and 742 and 742C. This amount covers the cost of information collection, overhead for operation of NMMSS, and providing reports to those NRC staff who require them. These costs are fully recovered through fee assessments to NRC licensees pursuant to Parts 170 and 171, but the fees do not specifically reflect NMMSS activity.

15. Reasons for Changes in Burden or Cost

The overall burden estimate for DOE/NRC Form 740M has decreased 742 hours from 855 to 113 because the number of licensees has decreased by 23 from 38 to 15 and based on experience over the past 3 years, the average number of Forms submitted has decreased by 20 from 30 to 10 per licensee. The estimated number of responses for Form 740M has decreased from 1,140 to 150 responses resulting in a difference of 990 responses for the next clearance period. There has been a decrease of \$116,340 in the cost from \$137,940 (\$121/hour times 1,140 responses) to \$21,600 (\$144/hour times 150 responses).

16. Publication for Statistical Use

None.

17. Reason for Not Displaying the Expiration Date

Not applicable.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this collection of information.