

DRAFT OMB SUPPORTING STATEMENT
FOR
NRC FORM 327
"SPECIAL NUCLEAR MATERIAL (SNM) AND SOURCE MATERIAL (SM)
PHYSICAL INVENTORY SUMMARY REPORT"
AND
NUREG/BR-0096
"INSTRUCTIONS AND GUIDANCE FOR COMPLETING
PHYSICAL INVENTORY SUMMARY REPORTS"
(3150-0139)

EXTENSION REQUEST

Description of the Information Collection

Special nuclear material (SNM) 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 (MC&A) 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 Form 327 each time that a physical inventory is conducted by any fuel facility authorized to possess and use more than one effective kilogram of SNM.

A. JUSTIFICATION

1. Need for and Practical Utility of the Information

NRC Form 327 requires that licensees submit information concerning inventory difference (ID), standard error of the ID (SEID), SEID limit, and ID limit. The information is needed to permit NRC to evaluate licensee performance and ability to provide accurate accounting for SNM and to confirm the absence of (or detect the occurrence of) SNM theft or diversion. The information provided by NRC Form 327 is used for:

- 1) Determining whether SNM is lost, diverted, or stolen;
- 2) Assessing the material control and accounting performance and compliance of SNM licensees;
- 3) Making safeguards regulatory decisions; and
- 4) Fulfilling the Commission's commitment to report to the public (in NUREG-0430, "Licensed Fuel Facility Status Report") differences between licensees' book and physical inventories.

NUREG/BR-0096 provides specific guidance and instructions for completing the form in accordance with the requirements of the particular regulation a licensee is subject to.

2. Agency Use of Information

The NRC uses the information to ensure that licensees are complying with 10 CFR 74.17 in a manner adequate to properly account for SNM and protect public health and safety and the common defense and security. The information is also used by the NRC to evaluate licensees' operations to ensure that they are meeting the requirements of their licenses. The NRC also uses the information to develop a periodic report to the public regarding differences between licensees' book and physical inventories.

3. Reduction of Burden Through Information Technology

There are no legal obstacles to reducing the burden by the use of improved information technology. Certain information is maintained by some licensees using automated information technology. Licensees are encouraged to use automated information technology whenever it will reduce the burden on them. However, respondents report classified information and thus must adhere to security regulations. Because of the type and relatively small amount of information, the reports do not lend themselves readily to the use of automated information technology.

4. Effort to Identify Duplication and Use Similar Information

The Information Requirements Control Automated System (IRCAS) was searched to identify duplication. None was found. The physical inventory data requested on NRC Form 327 are not available in any other NRC data collection system. NRC requires periodic SNM material status reports from all SNM licensees (DOE/NRC Forms 742 and 742C), but that information is based on licensee book records and is not necessarily the immediate result of a physical inventory, nor do such forms provide measurement uncertainty and related information needed to assess the reliability of licensees' accounting programs.

5. Effort to Reduce Small Business Burden

NRC has determined that the licensees required to submit NRC Form 327 are not small entities as that term is defined in the Regulatory Flexibility Act.

6. Consequences to Federal Programs or Policy Activities if the Collection is not Conducted or is Conducted Less Frequently

The reporting corresponds to the physical inventory frequencies required by NRC regulations. The frequency depends on which regulation (regarding physical inventories) a licensee is subject to, which in turn depends on the category of SNM possessed by the licensee and the level of control and monitoring requirements imposed. Less frequent reporting would result in (1) unacceptable delays in determining whether a safeguards significant quantity of SNM had been lost, diverted, or stolen; (2) inadequate NRC knowledge of a licensee's current processing throughput; and (3) inadequate NRC knowledge of a licensee's current measurement capabilities.

7. Circumstances Which Justify Variation from OMB Guidelines

There is no variation from OMB guidelines.

8. Consultations Outside the NRC

Opportunity for public comment on the information collection requirements has been published in the Federal Register.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

The respondent's data for high enriched uranium are classified, and low enriched uranium is usually treated as proprietary. Thus, the information is confidential. The only exception is the periodic publication of inventory difference data (after a minimum of one year waiting period) in NUREG-0430, which requires the Commission's approval before the information is released.

11. Justification for Sensitive Questions

None.

12. Estimate of Annualized Burden and Burden Hour Cost

As noted above, the reporting frequency depends on which regulation (regarding physical inventories) a licensee is subject to, which in turn depends on the category of SNM possessed by the licensee and the level of control and monitoring requirements imposed. There are currently two uranium enrichment facilities that are required to conduct physical inventories every 2 months. Two facilities that process strategic SNM and one that processes SNM of moderate strategic significance are required to conduct physical inventories at least every 6 months. Additionally, there are five fabricators of commercial power reactor fuel (SNM of low strategic significance) that are required to perform physical inventories at least every 12 months. Overall, there will be an estimated 23 inventory summary reports required each year.

The completion of the SNM Physical Inventory Summary Report will require approximately 4.25 staff hours per licensee per report (including any time needed to read or review the NUREG guidance document). The total industry burden would then be approximately 98 hours (23 reports x 4.25 hours/report). The total annual cost would be approximately \$15,386 (98 hours x \$157 per hour).

13. Estimate of Other Additional Cost

Not applicable.

14. Estimated Annualized Cost to the Federal Government

The estimated annual cost to the Federal Government in administering the program and procedures contained in these requirements is:

Annual cost - professional effort
(23 reports x 2 hours/report x \$157 per hour) = \$7,222

Annual cost - compilation, printing
and distribution of inventory difference
information in NUREG-0430
(\$750 for compilation, \$360 for printing,
and \$440 for distribution) = \$1,550

Total annual cost = \$8,772

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

15. Reason for Change in Burden or Cost

There is no change in the burden. However, the cost for professional effort has been increased in accordance with Part 170 to \$157 per hour.

16. Publication for Statistical Use

None.

17. Reason for Not Displaying the Expiration Date

None.

18. Exceptions to the Certification Statement

Not applicable.

B. Collection of Information Employing Statistical Methods

Statistical methods are not used in this collection of information.