
TEMPORARY INSTRUCTION 2800/035

VERIFICATION OF LICENSEE RESPONSES TO NRC BULLETIN 2003-04 REGARDING INVENTORIES OF SOURCE AND SPECIAL NUCLEAR MATERIALS TRACKED IN THE NUCLEAR MATERIALS MANAGEMENT AND SAFEGUARDS SYSTEM

APPLICABILITY: All U.S. Nuclear Regulatory Commission (NRC) and Agreement State licensees who have in their possession, or are licensed to possess, one or more of the following: foreign-obligated natural uranium, depleted uranium, or thorium; uranium enriched in the isotope uranium-235; uranium-233; plutonium; or plutonium-238.

2800/035-01 OBJECTIVES

01.01 To physically confirm that the inventories of foreign-obligated source material and/or special nuclear material possessed by a representative sample of Nuclear Regulatory Commission (NRC) and/or Agreement State licensees were appropriately reported and documented in the Nuclear Materials Management and Safeguards System (NMMSS) in accordance with NRC Bulletin No. 2003-04, "Rebaselining of Data in the Nuclear Materials Management and Safeguards System." A copy of this document is provided in Appendix A of this temporary instruction (TI).

01.02 To obtain other administrative and technical information concerning the licensee's possession of foreign-obligated source material and/or special nuclear materials. This objective supports NRC oversight of the operation of NMMSS.

2800/035-02 BACKGROUND

The Nuclear Materials Management and Safeguards System (NMMSS) is operated by a contractor on behalf of the U.S. Department of Energy (DOE) and the Nuclear Regulatory Commission (NRC). NMMSS serves as the U.S. Government's information system for current and historical data on the receipt, shipment, and inventory adjustment of certain source and special nuclear materials. Information related to the possession of these materials is reported to NMMSS for more than 1,300 accounts that are held by either DOE-operated or NRC- or Agreement State-licensed facilities.

NMMSS is also used to provide information to the U.S. Department of State to satisfy agreements with other nations that require the accounting of foreign-obligated source material and special nuclear material imported to and exported from the United States.

Foreign-obligated source material is source material that is tracked by NMMSS in accordance with treaty or agreement obligations that the United States has with other nations to treat nuclear materials in a manner consistent with that treaty or agreement. For example, certain source material may be sold by or to the United States with the understanding that the material will only be used for peaceful purposes such as power generation and not used in a nuclear weapons program.

Approximately 1,000 NRC and Agreement State licensees are required by 10 CFR Parts 40, 72, 74, and 150 to submit reports to NMMSS if they ship, receive, or adjust their onsite inventories for materials that are equal to or greater than the quantities shown in the following table:

NMMSS Reportable Quantities

ISOTOPE OR ELEMENT	REPORTABLE QUANTITY
Plutonium-238	0.1 gram
Plutonium	1 gram
Enriched uranium	1 gram uranium-235
Uranium-233	1 gram
Foreign-obligated thorium	1 kilogram
Foreign-obligated natural uranium	1 kilogram
Foreign-obligated depleted uranium	1 kilogram

In addition, about 170 of these Agreement State and NRC licensees are required to submit periodic Material balance reports concerning the quantities of special nuclear material that the licensee has received, produced, possessed, transferred, consumed, or disposed of. This additional reporting requirement is based on these licensees' authorization to possess special nuclear material in a quantity totaling more than 350 grams of contained uranium-235, uranium-233, or plutonium, or any combination thereof. NMMSS reconciles these periodic reports to account for all foreign-obligated source material and special nuclear material possessed by these licensees.

Recent reviews by DOE and the NRC Offices of the Inspector General identified concerns regarding the data maintained in NMMSS. For example, many licensees that possess less than 350 grams of special nuclear material and whose possession is relatively static are not required to submit annual reports to NMMSS. As such, there was not an opportunity previously to confirm the balances listed by NMMSS for such facilities. The Commission issued a Staff Requirements Memorandum (SRM-02-0093), which in part directed the staff to improve NMMSS performance and operations and to strengthen NRC's oversight of the tracking of special nuclear materials. As part of the response to that SRM, the staff developed and issued the bulletin in Appendix A. The bulletin requested affected licensees to perform a one-time reporting of the quantities of special nuclear material (SNM) and foreign-obligated source material in their possession.

DOE requires all facilities possessing certain government-owned materials, including tritium, americium, and californium, to report the possession of these materials to NMMSS periodically. To support DOE in its efforts to improve NMMSS performance, the bulletin further requested any Agreement State or NRC licensee possessing these government-owned materials to report the possession of these materials to NMMSS as well. However, there are no NRC regulatory requirements regarding the reporting of these materials to NMMSS and the possession of these materials will not be subject to review under this TI.

The TI is to confirm that a representative sample of licensees have reported their inventories pursuant to the bulletin and to verify that the NMMSS database correctly reflects the forms and quantities of foreign-obligated source material and special nuclear material actually possessed by the licensees. In addition, inspections conducted in accordance with this TI will verify that certain administrative information in NMMSS is accurate.

2800/035-03 INSPECTION REQUIREMENTS

03.01 Scope of Inspection. The inspection described in this TI will be conducted of selected licensees possessing subject material. For the purposes of this TI, the term “subject material” is defined as foreign-obligated source material and SNM licensed by NRC or an Agreement State that is subject to NMMSS tracking and/or reporting requirements.

The performance goal associated with the inspection is common defense and security. However, if health and safety or security findings involving other NRC-licensed materials are identified, the inspector should inform the licensee and the cognizant technical point-of-contact in the NRC Regional office.

The scope of any inspection of an Agreement State licensee conducted by NRC personnel under this TI will be focused on compliance with NMMSS reporting requirements. If health and safety issues are identified by NRC staff during TI inspections of Agreement State licensees, the inspector should immediately contact the cognizant Agreement State Radiation Control Program and provide any information regarding the issues.

NOTE: Should an immediate health and safety issue be identified, the inspector should promptly notify the licensee as well as the responsible State agency. If you cannot contact the cognizant Agreement State radiation control staff, you should promptly notify the NRC’s Director of the Office of State and Tribal Programs, and ask that they notify the cognizant Agreement State. The Agreement State program has the responsibility for any further inquiry, follow up, or enforcement, if appropriate. NRC inspectors plan to only cite Agreement State licensees for violations related to NMMSS reporting requirements in 10 CFR Part 150.

03.02 Criteria for Selecting Licensees for Inspection. The Office of Nuclear Security and Incident Response (NSIR) will develop the list of NRC and Agreement State licensees who are to be inspected under this TI. NSIR will make the selections with the assistance of the Office of Nuclear Materials Safety and Safeguards (NMSS) and, when appropriate, the Office of State and Tribal Programs (OSTP), along with the Agreement States.

The material accountability programs of licensees that possess more than 350 grams of subject material are evaluated by various NRC Material Control and Accountability (MC&A) inspection programs. These MC&A inspections, along with regular reconciliation of the licensee's material inventory by NMMSS, provide reasonable assurance that such licensees have adequate procedures to secure and account for subject material in their possession.

Facilities selected for inspection under this TI will be an NRC or an Agreement State licensed facility that holds a NMMSS account. The sample selection will be biased toward those eligible licensees who have little or no contact with NMMSS and/or are not routinely inspected by the NRC's MC&A inspection program. Within this group, sample selection will also consider licensees with:

- a. comparatively large quantities of the subject material; and/or,
- b. forms or quantities of subject material that warrant additional consideration based on other safety and/or security concerns such as suitability for malicious use,
- c. prior escalated enforcement history concerning materials security and/or accountability.

Other licensees may also be selected for inspections under this TI.

03.03 Inspection Planning and Preparation. Using the criteria described above, NSIR staff will prepare a list of licensees selected for inspection under this TI. This list will include the licensee's reporting identification symbol (RIS). The RIS is a facility-specific three-digit code used to identify the facility in the NMMSS database. The responsible inspection staff will be provided with this list of selected inspections. For the inspections conducted by inspectors from the NRC regional offices, the list of selected inspections shall be provided to the responsible regional Division of Nuclear Material Safety.

NMMSS tracks quantities of subject material by material type (MT) and does not track licensee inventories of subject material down to the item level. For example, NMMSS cannot provide information regarding the model number and serial number of devices or sources containing subject material. In preparing for the inspection, the inspector should sum the masses for each MT reported by NMMSS, and be prepared to do the same during the inspection when examining the licensee's inventory records. The table below lists the MT codes for subject material.

MATERIAL TYPE	MT CODE
Foreign-obligated depleted uranium*	MT 10
Enriched uranium	MT 20
Plutonium	MT 50
Uranium 233	MT 70
Foreign-obligated normal uranium*	MT 81
Plutonium 238	MT 83**
Foreign-obligated thorium*	MT 88
Uranium in cascade	MT 89

* Only foreign-obligated source material is subject to the bulletin and this TI

** Plutonium that is more than 10% Pu²³⁸ of total Pu by weight is reported as Pu²³⁸

In preparing for each inspection, inspectors should obtain a summary of the subject material listed in the licensee's NMMSS account for comparison with the licensee's own inventory records. NRC inspectors shall contact the NMMSS contractor (telephone 770-662-8110, ext 116), a minimum of 21 calendar days prior to the start of the inspection. The inspector should provide the NMMSS contractor with the RIS of the selected licensee and request a "Task 8 inspection package" to obtain the necessary information regarding the licensee's possession of subject material.

A Task 8 inspection package will contain the following documents:

- A copy of DOE/NRC Form 742, "Material Balance Report," prepared by the licensee, summarizing the quantities of subject materials, by material type, possessed by the licensee. The information in this report will have been subjected to the one-time reconciliation completed by the NMMSS contractor in response to Bulletin No. 2003-04 (Appendix A).
- The TJ-45 report, prepared by the NMMSS contractor, listing each of the licensee's account transactions resulting from the reported receipt or transfer of subject material since the reconciliation.
- The D-3 report listing the identifying and administrative information for the particular NMMSS account holder.

NRC region-based inspectors planning an inspection pursuant to this TI should obtain an inspection report number in accordance with their region's procedures. Headquarters-based inspectors should contact NSIR PMDA personnel to obtain an inspection report number. Prior to the inspection, inspectors shall e-mail the inspection report number and the planned date of inspection to the individuals designated in the CONTACTS section of this TI.

Inspectors shall announce each inspection conducted under this TI to ensure that cognizant licensee personnel are available. Inspectors will verify contact information and make the necessary arrangements to visit the licensees' facilities. The cognizant Agreement State radiation control program office must be notified a minimum of 21 days prior to the scheduled inspection date of an Agreement State licensee.

Inspectors are cautioned that at a minimum, NMMSS data is Sensitive-Unclassified Official Use Only (OUO) information. Since it will generally be necessary to take NMMSS data on the inspection, inspectors must be familiar with, and comply with, the OUO information storage and handling requirements specified in NRC Management Directive (MD) 12.6, "NRC Sensitive Unclassified Information Security Program." Any losses or compromise of OUO data must be reported to the NRC's Division of Facility Security in accordance with MD 12.6. Inspectors must also be cautious with regard to handling licensee information that may be classified, sensitive, or proprietary. For more information, contact the appropriate regional or NSIR security advisor, or refer to the security services Web page, <http://www.internal.nrc.gov/ADM/DFS/dfs.html>.

2800/035-04 INSPECTION GUIDANCE

04.01 Initial Meeting with Licensee. The initial contact may be made with the licensee's Radiation Safety Officer or other responsible individual. Notify senior licensee management and offer an abbreviated entrance meeting (face-to-face or by telephone). Explain the objectives and scope of the inspection.

Review the regulatory requirements for NMMSS reporting and the bulletin with responsible licensee technical staff. Review the licensee's response to the bulletin.

Discuss the location of all subject material possessed by the licensee. Obtain and review the most recent record of physical inventory performed by the licensee and compare it with the information documented in the licensee's NMMSS account on the DOE/NRC Form 742, "Material Balance Report," provided by the NMMSS contractor. The licensee's records should document any receipt or transfer of subject material that occurred subsequently to the most recent filing of the Form 742 in the TJ-45 report.

04.02 Inventory Verification. Verify the information listed on the licensee's inventory record by walking down the licensee's facility and (if practicable) visually identifying each item listed on the licensee's inventory. If appropriate, verify the presence of the subject material with a radiation survey instrument. The intent of the measurement is to verify the presence of radioactive material rather than to determine the quantity of material present. The inspector should not ask licensee personnel to open any container or otherwise change the container's shielding to facilitate this survey.

During the walk down, examine the physical condition of devices and/or containers containing subject material. Evaluate the effectiveness of the licensee's procedures for secure storage and handling of subject materials. Discuss the licensee maintenance of devices containing subject material, including leak tests, and verify that the licensee is performing maintenance as required. Determine if the posting and labeling of subject material are adequate.

Review licensee records documenting the receipt, transfer, and disposal of subject materials. Compare these records with the TJ-45 report data provided by the NMMSS contractor. Evaluate the effectiveness of licensee procedures for updating inventory records as the result of these types of transactions and document any apparent discrepancies.

If the licensee is no longer actively conducting a principal activity using the subject material and has no intent to resume that principal activity in the future, review the requirements for timely decommissioning, specified in 10 CFR 40.42(d) and 10 CFR 70.38(d). If the licensee notes that it has nuclear material that it no longer needs or wants and asks for guidance for disposition, document this issue in the inspection findings. The technical points of contact for the TI will then ensure that the DOE contact information for retrieval of government-owned nuclear material is provided to the licensee.

Should an NRC inspector be inspecting an Agreement State licensee, the inspector should be familiar with the comparable provisions of the Agreement State's regulations regarding timely and effective decommissioning. The inspector should refer the licensee to the cognizant State radiation control program office regarding additional information about these requirements. **NOTE:** inspectors need not be experts on an Agreement State's regulations, but rather should have a minimum amount of high-level information and be able to inform an Agreement State licensee that a requirement does exist and whom the licensee should contact for further information.

NRC staff inspecting NRC licensees, consistent with the guidance in Inspection Manual Chapter 2800, "Materials Inspection Program" (IMC 2800), should discuss any observed NMMSS discrepancies with licensee personnel and document any potential violations appropriately.

If the licensee possesses the subject material in sufficient quantity to be subject to NMMSS requirements and has not reported the material, or if discrepancies exist between the licensee's inventory records and the NMMSS-generated inventory, licensee personnel should be encouraged to promptly contact the NMMSS operator by telephone (770-662-8110, ext. 116) and either report their holdings pursuant to Bulletin 2003-04 or correct their physical holding by submitting appropriate records.

Any licensee that does not currently possess any subject material and that has not made any report in accordance with the bulletin should be encouraged to submit a written statement to the NRC as soon as possible providing the information specified in the bulletin.

04.03 Determine the Location of Unaccounted-for Subject Material. The licensee is responsible for ensuring adequate security and accountability for subject material. If the licensee cannot account for subject material, the inspector should review any available history (e.g., leak tests, inventory records, utilization logs). Determine the areas where subject materials may have been used or stored. Interview licensee personnel who may remember using or storing subject material. For the purposes of this TI, unaccounted-for material involves only subject material that the licensee believed to be on the site.

If unaccounted-for subject material may be on the site, discuss what actions the licensee may take to search for the material. Examine areas where the licensee stores surplus material and equipment to decide if the licensee does, in fact, still possess the unaccounted-for material.

If the licensee shipped unaccounted-for subject material without proper documentation, discuss what actions the licensee plans to take to determine the location of the material and, if possible and appropriate, to retrieve the material. The ability to retrieve the material will depend on the date of the transfer, the purpose of the transfer (sale, transfer of surplus, disposal), the business of the transferee, and the availability of information.

If the licensee transferred subject material to a person not authorized to possess or use the material, obtain as much information as possible regarding the name and location of the transferee, as well as contact information for any individuals (e.g., licensee personnel, transport personnel) who would have knowledge of the transferred subject material.

In any case involving unaccounted-for subject material, immediately contact responsible NRC Regional management and the NMMSS Headquarters points-of-contact listed on page 10. Concurrently, apprise licensee management and remind them of the licensee's responsibility to immediately notify the NRC or the cognizant Agreement State of lost or stolen nuclear material in accordance with 10 CFR 20.2011 or equivalent Agreement State regulations. Collect sufficient information to support potential short-term NRC regulatory actions, such as the preparation of a confirmatory action letter or an order, and potential longer term escalated enforcement actions.

The inspector shall report the unaccounted-for subject materials to the Nuclear Materials Events Database (NMED). Instructions for a "complete" record are provided in IMC 2800, Enclosure 6. Because this TI instructs an inspector to profile the subject records in ADAMS as "not publicly available," the regional office must forward paper copies of documents regarding unaccounted-for materials to the NMED contractor and the NMED Project Coordinator.

04.04 Review of Other Administrative Information. Since inspections and other face-to-face meetings with many licensees are infrequent, review administrative information listed in the NMMSS-provided D-3 report with licensee personnel to ensure that the information is up to date. This information includes, but is not be limited to,

1. mailing address
2. physical or shipping address (for transmitting information via nonpostal methods that cannot use a post office box)
3. telephone number, FAX number, and e-mail address for primary technical point of contact
4. telephone number, fax number, and e-mail address for primary management point of contact
5. the license numbers of NRC or Agreement State licenses that authorize the possession of subject material

Advise the licensee to ask the NMMSS contractor to make any necessary changes to the licensee's administrative information regarding its NMMSS account.

Inspections conducted under this TI are to be documented in accordance with the guidance in IMC 2800. To streamline the documentation of inspection findings, NRC and Agreement State inspectors record the findings in accordance with the guidance in IMC 2800 for NRC Form 591M, "Safety Inspection Report," provided as Appendix B to the TI. In addition, inspectors should use the NMMSS Verification Inspection Documentation Form, Parts 1 and 2 in Appendix C to this TI, to record specific inspection findings regarding the licensees inventory. The exercise of enforcement discretion should be also be documented in item 6, Part 2 of Appendix C.

NOTE: List the serial numbers and activity of any sealed sources possessed by the licensee containing one curie or more of plutonium 238 or plutonium 239 in Part 2 of Appendix C to this TI.

The dates and results of inspection will be recorded in the Licensing Tracking System (LTS). Inspections conducted in accordance with this TI will not impact the due date of the next routine inspection unless inspection findings (for example, resulting in escalated enforcement) specifically warrant a change.

Since inspection findings and much of the data used in the this inspection is "Business Proprietary" or "Sensitive-Unclassified Official Use Only," inspectors must protect inspection documentation and ensure that inspection results will be placed in ADAMS as "non publically available" documents. ADAMS accession numbers for documents describing all inspection results (such as completed NRC Form 591M's or enforcement letters) will be provided to the cognizant headquarters or regional licensing office or Agreement State. Inspectors are strongly encouraged to document inspection results electronically to simplify archiving and allow text searches of inspection findings. Electronic copies of the completed inspection documentation will also be forwarded to the individuals identified in Section 2800/035-07, "CONTACTS," in this TI. Electronic copies of the completed Appendix C shall be provided to the Office of Enforcement.

2800/035-06 COMPLETION SCHEDULE

The goal is for initial inspections to be completed within 1 year of the effective date of this TI. Any required follow up inspections should be completed within 1 year of the initial TI inspection.

2800/035-07 EXPIRATION

This TI will remain in effect until all sites identified in the site list have been inspected and the follow up inspections have been completed.

2800/035-08 CONTACTS

Please contact one of the following individuals regarding any questions you may have concerning this TI.

Larry C. Harris
Fuel Cycle and Special Security Programs Section
Division of Nuclear Safety
Office of Nuclear Security and Incident Response
Telephone number: (301) 415-5072
Mail stop: T4D8
E-mail: lch1@nrc.gov

Brian G. Horn
Fuel Cycle and Special Security Programs Section
Division of Nuclear Safety
Office of Nuclear Security and Incident Response
Telephone number: (301) 415-8128
Mail stop: T4D8
E-mail: bgh1@nrc.gov

John M. Pelchat
Fuel Cycle and Special Security Programs Section
Division of Nuclear Safety
Office of Nuclear Security and Incident Response
Telephone number: (404) 562-4729
Mail stop: Region II
E-mail: jmp2@nrc.gov

2800/035-09 STATISTICAL DATA REPORTING

Time spent in implementing this TI should be charged to TI 2800-035.

10.01 Organizational Responsibility. The Fuel Cycle and Special Security Programs Section, Division of Nuclear Safety, Officer of Nuclear Security and Incident Response, initiated this TI. The development of this TI was coordinated with the Rulemaking and Guidance Branch, Division of Industrial and Nuclear Materials Safety, Office of Nuclear Materials Safety and Safeguards, and the Office of Nuclear Reactor Regulation.

10.02 Resource Estimate. The average inspection time per site is expected to be approximately 10 hours. This estimate includes preparation, onsite time, closeout, and travel. If the implementation of this TI is integrated into a routine scheduled inspection, it is expected that the requirements of this TI will require an additional 2 hours to complete. Inspections at specific sites may require substantially more or less time, depending on the circumstances.

10.03 Other. None.

10.04 Training. Inspectors who have received NMMSS training on reporting requirements and the format of NMMSS-produced inventory reports and who qualified under IMC 1246, "Inspector Qualifications," are required to complete the inspection. It is anticipated that specific training will be provided by NSIR staff either by conducting training sessions in each of the three NRC regional offices that perform material inspections or via video tele-conference. It is expected that the training will take less than three hours.

Inspectors completing the training will be familiar with the purpose and function of NMMSS, the bulletin, and the TI for assessing licensee responses to the bulletin. Inspectors will also be familiar with the format and content of NMMSS records that will be used during the inspection as part of the inventory verification process and with expectations regarding the documentation of inspection results.

END

Attachments:

- A. NRC BULLETIN 2003-04: Rebaselining of Data in the Nuclear Materials Management and Safeguards System
- B. Safety Inspection Report and Compliance Inspection Form (NRC Form 591M Parts 1 - 3)
- C. NMMSS Verification Inspection Documentation - Parts 1 and 2

Attachment A
NRC BULLETIN 2003-04
Rebaselining of Data in the Nuclear Materials
Management and Safeguards System

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
OFFICE OF NUCLEAR REACTOR REGULATION
Washington, D.C. 20555-0001

October 8, 2003

NRC BULLETIN 2003-04: REBASELINING OF DATA IN THE NUCLEAR MATERIALS
MANAGEMENT AND SAFEGUARDS SYSTEM

Addressees

All U.S. Nuclear Regulatory Commission (NRC) licensees, Agreement State licensees, and Certificate Holders (hereafter referred to as licensees) who:

- Have in their possession, or are licensed to possess, one or more of the following: foreign obligated natural uranium, depleted uranium, or thorium; uranium enriched in the isotope U-235, U-233, plutonium, plutonium-238, or who currently have unreconciled nuclear material balances with the Nuclear Materials Management and Safeguards System (NMMSS).

Purpose

NRC is issuing this bulletin to:

- Notify licensees about performance concerns associated with their reporting data to, and the resulting material balances contained in, the NMMSS database;
- Request affected licensees to perform a one-time reporting of the quantities of special nuclear material (SNM) and/or foreign obligated source material in their possession, specified as:
 - (a) A quantity of SNM defined by 10 CFR 72.76, 72.78, 74.15, and 150.16, as 1 gram or more of contained uranium-235, uranium-233, plutonium, or 0.1 gram or more plutonium-238 that is greater than 10 percent of the total plutonium by weight; or
 - (b) A quantity of foreign obligated source material (i.e., natural uranium, depleted uranium, or thorium) defined by 10 CFR 40.64 and 150.17 as 1 kilogram or more.
- (iii) Request affected licensees to perform a one-time reporting of the quantities of other types of Government-owned materials, specified as any quantity of deuterium, tritium, curium, americium, neptunium, californium, berkelium, or enriched lithium in their possession (hereafter referred to as other Government-owned materials);

- (iv) Request affected licensees to submit the results of this one-time reporting of the balances of the requested material types directly to NMMSS, as described in NUREG/BR - 0006 or 0007 and NMMSS Report D-24, as referenced in 10 CFR 40.64, 72.76, 72.78, 74.13, 74.15, 150.16, and 150.17, and to coordinate with NMMSS staff, the resolution of any discrepancies that become evident, based on a comparison of the results of the one-time reporting and previously existing licensee nuclear material balances.

Background/Discussion

NMMSS is the U.S. national database used jointly by the U.S. Department of Energy (DOE) and NRC for tracking certain nuclear materials and other Government-owned materials. A DOE contractor maintains NMMSS for both agencies. A recent audit report by the DOE Office of Inspector General found that DOE could not fully account for Government-owned materials and nuclear materials loaned or leased to domestic licensees, based on information contained in the NMMSS database. (This report is available through the Internet at <http://www.ig.doe.gov/pdf/ig-0529.pdf>) NRC believes that until NMMSS balances are confirmed on the basis of an accurate one-time reporting of the requested inventory data, NMMSS cannot be considered a useful tool to monitor nuclear material holdings at licensee sites.

NRC's objective is to confirm that the licensee inventories and the NMMSS database records are in agreement for SNM and foreign-obligated source material. NRC regulations contained in 10 CFR 40.64, 72.76, 72.78, 74.13, 74.15, 150.16, and 150.17 require licensees to report material transfers and inventory adjustments to NMMSS. Presently, licensees that are not required to report their physical inventories of source material and SNM to NMMSS do not have a way to reconcile their inventory information with the NMMSS database. In these cases, the quantities and types of source, SNM, and Government-owned materials in NMMSS represent only "book" values that change over time, depending on the details contained in material transfer reports which the licensees are required to submit when nuclear material is moved from one site to another, or when an inventory adjustment occurs at the licensees' site.

Ascertaining the actual locations and quantities of nuclear material licensees possess through a one-time reporting of inventory holdings, and identifying and resolving obvious NMMSS database discrepancies, are the first steps toward eliminating anomalous balances and restoring credibility to NMMSS account balances.

Once the licensees' inventory values are submitted to NMMSS, the NMMSS staff will compare the reported information to the NMMSS book values. Where discrepancies are identified, NMMSS staff will attempt to resolve them by examining existing NMMSS records and assisting licensees to correct errors that may have occurred. Discrepancies that cannot be resolved readily, in contacts between NMMSS staff and licensees, may be referred to NRC, which will take further steps to resolve the discrepancies.

Requested Action

Within 90 days of the date of this bulletin, and preferably, as soon as is reasonably achievable, affected licensees are requested to report their possessed quantities of nuclear materials of the types specified above. Typically, such listings may be the result of the most recent physical inventory or book values. Licensees should report these quantities as stipulated in NUREG/BR-0006 or 0007 and NMMSS Report D-24, which are referenced in 10CFR 40.64, 72.76, 72.78, 74.13, 74.15, 150.16, and 150.17. Licensees should ensure that their onsite material balances are accurately reflected in the NMMSS database. Copies of NUREG/BR-0006 and 0007 may be obtained from NRC's web site at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/brochures/>, or by contacting the technical contacts, listed below, in the Office of Nuclear Security and Incident Response, Division of Nuclear Security, Washington, DC 20555-0001.

Licensees reporting other types of Government-owned materials, specified as any quantity of deuterium, tritium, curium, americium, neptunium, californium, berkelium, or enriched lithium, should contact Mr. Kelly Coady at DOE (301) 903-1360 or kelly.coady@hq.doe.gov) for guidance.

Addressees that do not currently possess any amounts of the types of nuclear material to be reported should report this in the format described in NUREG/BR - 0007. Addressees that believe this request is not applicable to them or who cannot meet the requested submission date are requested to submit a written response to that effect, by regular mail, to: U.S. Nuclear Regulatory Commission, Attn. Larry Harris, Mail stop T-4-D-8, Washington, DC 20555-0001. Such response should include the licensee's name and address, as described in the specific license, and the licensee's reporting identification symbol (RIS) code, normally used for submitting electronic reports to the NMMSS database, and a statement of why it is not responding in a manner consistent with this bulletin.

Federal Register Notification

A notice of opportunity for public comment on this bulletin was not published in the Federal Register because NRC is requesting information from affected licensees, on an expedited basis, to assess compliance with applicable regulatory requirements. The information is time sensitive, since it is for the purpose of confirming that NMMSS records accurately reflect licensee inventory holdings.

Paperwork Reduction Act Statement

This Bulletin contains information collection requirements that are subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501, et seq.). These information collections were approved by the Office of Management and Budget (OMB), approval number 3150-0011, which expires January 31, 2004.

The burden to the public for these mandatory information collections is estimated to average six hours per response. This time includes the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing and reviewing the information collection. Send comments about this burden estimate or any other aspect

of these information collections, including suggestions for reducing the burden, to the Records Management Branch (T-5F52), U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001, or by Internet e-mail to INFOCOLLECTS@NRC.GOV; and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202 (3150-0011), Office of Management and Budget, Washington, D.C. 20503.

Public Protection Notification

NRC may not conduct nor sponsor, and a person is not required to respond to, an information collection, unless the requesting document displays a currently valid OMB control number. Small Business Regulatory Enforcement Fairness Act NRC has determined that this action is not subject to the Small Business Regulatory Enforcement Fairness Act of 1996.

If you have any questions about this matter, please contact the technical contacts listed below.

/RA/

Bruce A. Boger, Director
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

/RA/

Charles L. Miller, Director
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

Technical Contacts: Larry Harris, NSIR Brian Horn, NSIR
E-mail: nmmss@nrc.gov E-mail: nmmss@nrc.gov

Attachment B
Safety Inspection Report and Compliance Inspection Form
(NRC Form 591M Parts 1 - 3)

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**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

1. LICENSEE [Licensee] REPORT		2. NRC/REGIONAL OFFICE Region I	
3. DOCKET NUMBER(S) [Docket No.]	4. LICENSE NUMBER(S) [License No.]	5. DATE(S) OF INSPECTION	

(Continued)

Docket File Information
**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

1. LICENSEE [Licensee] REPORT NUMBER(S) [Report No.]		2. NRC/REGIONAL OFFICE Region I	
3. DOCKET NUMBER(S) [Docket No.]	4. LICENSE NUMBER(S) [License No.]	5. DATE(S) OF INSPECTION	
6. INSPECTION PROCEDURES USED [Inspection Procedure]	7. INSPECTION FOCUS AREAS		

SUPPLEMENTAL INSPECTION INFORMATION

1. PROGRAM [Prog. Code]	2. PRIORITY [Priority]	3. LICENSEE CONTACT [Licensee Contact]	4. TELEPHONE NUMBER [Contact No.]
<input type="checkbox"/> Main Office Inspection		Next Inspection Date: _____	
<input type="checkbox"/> Field Office	_____		
<input type="checkbox"/> Temporary Job Site	_____		

PROGRAM SCOPE

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Attachment C
NMMSS Verification Inspection Documentation

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 NMMSS Verification Inspection Documentation - Part 1
 Licensee Identification

Licensee Name	RIS	License No.	Docket No (if applicable)	
Mailing Address				
Street Address 1				
Street Address 2				
City		State	Zip Code	
Physical Address		Check Here If Same as Above		
Street Address 1				
Street Address 2				
City		State	Zip Code	

Was D-3 administrative information reviewed by licensee & up-to-date	Yes	No	
If not up-to-date, was licensee prompted to contact NMMSS contractor	Yes	No	

NOTE: See <http://www.nmmss.com/NMMSST1.nsf/mainFS?OpenFrameSet> for NMMSS Change of Authorized Contacts Response Form

SUMMARY OF TASK 8 INSPECTION PACKAGE INFORMATION

Date of Reconciled DOE/NRC Form 742 (see Task 8 inspection package)	
Date of TJ-45 (see Task 8 inspection package)	
Does TJ-45 document receipt or transfer of subject material	Yes No

VERIFICATION OF NMMSS ACCOUNT DATA

Material Type * - Foreign Obligated Only	MT Code	✓ - Material in Account	Undocumented Differences	Comment Reference
Depleted uranium*	MT 10		Yes No	
Enriched uranium	MT 20		Yes No	
Plutonium	MT 50		Yes No	
Uranium 233	MT 70		Yes No	
Normal uranium*	MT 81		Yes No	
Plutonium 238	MT 83*		Yes No	
Thorium*	MT 88		Yes No	
Uranium in cascade	MT 89		Yes No	

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NMMSS Verification Inspection Documentation - Part 2
Description of Undocumented Differences

1	MT _____	

2	MT _____	

3	MT _____	

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NMMSS Verification Inspection Documentation - Part 2
Description of Undocumented Differences (continued)

4	MT _____	

5	MT _____	

6	Other Inspector Comments or Findings	