

DRAFT OMB SUPPORTING STATEMENT FOR
NRC FORM 7, "APPLICATION FOR NRC EXPORT/IMPORT LICENSE,
AMENDMENT, OR RENEWAL"
(3150-0027)

REVISION TO THE CLEARANCE EXTENSION

DESCRIPTION OF THE INFORMATION COLLECTION

The Nuclear Regulatory Commission (NRC), under the Atomic Energy Act of 1954, as amended, (AEA) and Title II of the Energy Reorganization Act of 1974, as amended, has authority for exercising export and import controls over nuclear equipment and material. All persons who wish to export or import nuclear equipment and material as specified in 10 CFR Part 110, Sections 110.8, 110.9, and 110.9a must provide certain information to enable the NRC and the Executive Branch to make required export and import licensing determinations to ensure compliance with NRC regulations and to satisfy statutory requirements of the AEA.

The public has submitted the required information on NRC Form 7 (OMB Clearance Number 3150-0027) except that import license applications, production and utilization facility export applications, and import/export license amendments and renewals applications were submitted by letter under OMB Clearance Number 3150-0036, 10 CFR Part 110. This clearance request revises the use of NRC Form 7 to include all licensing requests, (e.g., applications for export, import, combined export/import, amendments and renewals). NRC will publish a direct final rule codifying the revisions to NRC Form 7 in 10 CFR Part 110 in the first quarter of calendar year 2006. 10 CFR § 110.7 will be revised to reflect the shift of information collection burden from letter (OMB Clearance Number 3150-0036) to NRC Form 7 (OMB Clearance Number 3150-0027) for import license applications, production and utilization facility export applications, and import/export license amendments and renewal applications. 10 CFR §110.31(c) will be revised to delete the requirement to file import license applications and production or utilization facility export applications by letter. 10 CFR §110.51 will be revised to require that all import/export license amendment and renewal requests be submitted on NRC Form 7 (OMB Clearance Number 3150-0027). This form is being revised to consolidate all license requests in one application form. The revision adds blocks C and D to provide information previously submitted by letter. Comments on the revised NRC Form 7 should be made in response to this clearance package renewal request.

During the current clearance period five rules were published revising 10 CFR Part 110 (OMB Clearance Number 3150-0036), but only one of these affected the burden for NRC Form 7. No comments were received on the use of NRC Form 7 (OMB Clearance Number 3150-0027). OMB has already approved the burden for this rule. A summary of this rule is as follows:

Proposed Rule, "Export and Import of Nuclear Equipment and Radioactive Materials: Security Policies," 69 FR 55785, published September 16, 2004, and Final Rule, "Export and Import of Radioactive Materials: Security Policies," 70 FR 37985, July 1, 2005, effective December 28, 2005, revised 10 CFR Part 110 to require specific licenses for certain export and import shipments of radioactive materials. The purpose of the rule was to implement the security policies of the Commission and the Executive Branch, and the export/import provisions of the International Atomic Energy Agency (IAEA) Code of Conduct on the Security of Radioactive Sources. OMB approved the 408 hour

burden increase for the proposed rule in November 2004.

Section 110.19(b), Types of Licenses, requires that a person using a general license under this part as authority to export incidental radioactive material that is contained in or a contaminant of a shipment that exceeds 100 kilograms in total weight shall file a completed NRC Form 7 before export takes place.

Section 110.20(a)(1), General License Information, requires that a person using a general license as authority to export incidental radioactive material that is contained in or a contaminant of a shipment that exceeds 100 kilograms in total weight shall file a completed NRC Form 7 before the export takes place.

Section 110.21(e), General License for the Export of Special Nuclear Material, requires that a person using the general licenses in paragraphs (a), (b), or (c) as authority to export special nuclear material as incidental radioactive material shall file a completed NRC Form 7 before the export takes place if the total weight of the shipment exceeds 100 kilograms.

Section 110.22(g), General License for the Export of Source Material, requires that a person using the general licenses in paragraphs (a), (b), (c) or (d) as authority to export source material as incidental radioactive material contained in or a contaminant of a shipment exceeding 100 kilograms in total weight shall file an NRC Form 7 before the export takes place.

Section 110.23(c), General License for the Export of Byproduct Material, requires that a person using the general licenses in paragraph (a) of this section as authority to export byproduct material as incidental radioactive material shall file a completed NRC Form 7 before the export takes place if the total weight of the shipment exceeds 100 kilograms.

Section 110.31, Application for a Specific License requires that a person file an application for a license to export or import nuclear material or equipment requiring specific authorization, with the appropriate fee in accordance with 10 CFR Part 170. All applications for NRC licenses, including exports, imports, combination exports and imports, amendments and renewals are to be filed on NRC Form 7. This includes import license applications and production or utilization facility export applications previously filed by letter under OMB Clearance Number 3150-0036. NRC will publish a direct final rule codifying the revisions to NRC Form 7 in 10 CFR Part 110 in the first quarter of calendar year 2006. 10 CFR §§ 110.7 will be revised to reflect the shift of the information collection burden from letter (OMB Clearance Number 3150-0036) to NRC Form 7 (OMB Clearance Number 3150-0027) for imports, exports of production or utilization facilities, and amendments and renewals. 10 CFR §110.31(c) will be revised to delete the requirement of filing import license applications and export license applications for production or utilization facilities by letter. 10 CFR §110.51 will be revised to require that all license amendment and renewal requests be submitted on NRC Form 7 (OMB Clearance Number 3150-0027).

Section 110.32, Information Required in an Application for a Specific License/NRC Form 7, requires the following information to be submitted in a license application (and the NRC may require more information): name and address of applicant, supplier, intermediate and ultimate consignees; country of origin of equipment or material, and any other countries that have processed the material prior to its import into the U.S.; dates of proposed first and last

shipment, a description of the equipment or material and end use, with the maximum quantity of material in grams or kilograms (terabequerels or TBq for byproduct material) and its chemical and physical form. For imports of material listed in Appendix P to Part 110, a copy of the applicant's authorization to receive and possess the radioactive material to be imported for each recipient must be submitted. For export of material listed in Appendix P to Part 110, pertinent documentation that the recipient of the material has the necessary authorization under the laws and regulations of the importing country to receive and possess the material to be exported or a confirmation from the importing country's government that the recipient is so authorized, and a description of the export and end use. Applications for import and export of radioactive waste and for export of incidental radioactive material require the volume, classification, physical and chemical characteristics, route of transit, and ultimate disposition.

Section 110.51(a) is being revised in the direct final rule to explicitly require a licensee to submit an application to renew a license or to amend a license on NRC Form 7.

A summary of the revised NRC Form 7 for providing the information required in 10 CFR §110.32 follows.

Part A is for NRC internal use. Parts B and E are completed by all applicants. Part C is completed by applicants for export or combined export/import licenses, amendments and renewals. Part D is completed by applicants for import or combined import/export licenses, amendments and renewals.

In Part B, to be completed by all applicants, Block 1 requires the name and complete physical address of the corporation or other entity with direct control over distribution of proposed exports(s) or imports(s), and where required records will be maintained and can be inspected. Blocks 1a through e require name and contact information identifying the best party to answer questions about an application, and applicants can use it to assign their own reference number to identify application documents. Block 2 requires the applicant to indicate the type of NRC licensing action requested by checking either export, import, combined export/import, amendment or renewal. Block 3 requires the applicant to provide contract number(s), if known, which may be useful references for reviewers. Blocks 4 and 5 require the anticipated date of the first and last shipments. Block 6 requires the applicant's proposed license expiration date.

In Part C, to be completed by applicants for export or combined licenses, amendments or renewals, Block 7 requires the names of the supplier(s) and other parties to the export not listed in Blocks 1, 8 or 9, including the complete physical address(es) where correspondence should be sent and where export(s) could be inspected. In Block 7a, the applicant must describe the functions to be performed and/or services to be provided by any of the parties listed in Block 7. Blocks 8 and 9 require the names and physical address(es) for each intermediate and ultimate foreign location. Blocks 8a and 9a require the applicant to describe how each consignee will use the export(s), including functions to be performed and/or services to be provided. Block 10 requires a description of key characteristics, including physical and chemical forms of radioactive materials (i.e., source, special nuclear or byproduct materials including sealed sources or devices and radioactive waste) nuclear facilities and equipment. Block 11 requires the identification of foreign country obligations and the percentage of the total volume that is obligated to them.

In Part D, to be completed by applicants for import or combined licenses, amendments or renewals, Block 12 requires the name(s) and the address(es) of the foreign supplier(s) or exporters. In Block 12a, the license number for import(s) originally exported under a specific NRC license must be entered. Blocks 13 and 14 are to be completed if the applicant in Block 1 is not the sole intermediate or ultimate recipient. Blocks 13a and 14a require the entry of NRC or Agreement State Materials License number(s) including the expiration date(s) for each U.S. consignee. Blocks 13b and 14b require a description of the use of each consignee, the functions to be performed and the services to be provided is required. Block 15 requires a description of key characteristics, including physical and chemical forms, of radioactive materials and nuclear facilities. For source and/or special nuclear material including as radioactive waste, in Block 15a, the maximum total volume/element weight over license life in kilograms is required. For Appendix L byproduct material, including radioactive waste, the maximum total activity over license life in TBq is required. For Appendix P radioactive materials, maximum total activity per shipment in TBq for each material, whether in bulk or sealed source or device. In Blocks 15b-c, maximum enrichment/ weight percentage and maximum total isotope weight over the license life must be provided in kilograms. Block 16 requires the identification of foreign countries and the percentage of maximum total volume that may be obligated to them.

Part E is to be completed by all applicants. In Block 17, the applicant must indicate whether additional information is being provided. The attached, blank continuation page can be used to provide this information, and it can be copied for use as additional attachment sheets. In Block 17a, the applicant must check "yes" or "no" to verify whether domestic recipients' authorizations required for Appendix P materials are included with the application. Blocks 18a through c require signature certification, title of the authorized official of the legal entity applying for the License, Amendment or Renewal, and date.

A. JUSTIFICATION

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

The NRC Form 7 is a multipurpose license application designed to allow persons to provide the minimum amount of information necessary for NRC to fulfill the statutory and regulatory requirements governing exports and imports of nuclear material and equipment under the NRC's authority. The form is clear, concise, easy to understand, and simple to prepare.

2. Agency Use of the Information

The Commission and the Executive Branch review the license applications submitted on NRC Form 7 to make required licensing determinations to ensure compliance with regulations. If applicable statutory, regulatory, and policy considerations are satisfied, the NRC will issue a license.

The Commission also reviews exports of incidental radioactive material filed on Form 7 before the export takes place to help assure that the NRC is informed before the fact of these kinds of shipments and allows us to inform other interested parties, as

appropriate, including import control authorities in interested foreign countries.

3. Reduction of the Burden Through Information Technology

There are no legal obstacles to reducing the burden associated with this information collection. The NRC encourages respondents to use information technology when it would be beneficial to them. NRC issued a regulation on October 10, 2003 (68 FR 58792), consistent with the Government Paperwork Elimination Act, which allows licensees, vendors, applicants, and members of the public the option to make submissions electronically via CD-ROM, e-mail, special Web-based interface, or other means. However, currently no responses are submitted electronically because the non-recurrence of each individual collection makes it difficult to reduce the burden through the use of technology. Each submittal is unique and is unlikely to be developed from other compiled information sources.

4. Effort to Identify Duplication and Use Similar Information

No sources of similar information are available. There is no duplication of requirements. NRC has in place an ongoing program to examine all information collections with the goal of eliminating all duplication and/or unnecessary information collections.

5. Effort to Reduce Small Business Burden

The requirements specified in 10 CFR §§ 110.20, 110.31, and 110.32 are the same for large and small businesses, because the proliferation and policy concerns are the same; therefore, all businesses must provide the same data. To reduce the burden to small businesses, the NRC has established general licenses which exempt from new controls many of the shipments that were of particular concern to small businesses. Further, the NRC allows small businesses to apply for broad, long-term licenses to export materials to reduce burdens associated with paperwork expenses, license application fees, and uncertainties in delivery.

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

The information requested in 10 CFR §§ 110.20-110.23 cannot be collected on a less frequent basis because it reflects the IAEA Code of Practice on the International Transboundary Movement of Radioactive Waste to help ensure that radioactive waste coming into or leaving the U.S. is subject to U.S. Government (USG) approval and consent of other involved parties.

The information requested in 10 CFR §§ 110.31-32 is submitted only when deemed necessary by respondents and is keyed to the decision criteria that guides the NRC in approving or denying applications. It specifically incorporates the requirements of the Atomic Energy Act of 1954, as amended. Therefore, if the collection is not conducted or is conducted on a less frequent basis, a person who wishes to export under NRC's export authority would be unable to do so because the NRC could not make the necessary determination on whether a license should be issued.

7. Circumstances Which Justify Variation from OMB Guidelines

None.

8. Consultations Outside the NRC

The opportunity for public comment on the extension package and the revised NRC Form 7 is being published in the Federal Register. NRC will also publish a direct final rule to provide additional opportunity for the public to comment on the revised NRC Form 7.

9. Payment or Gifts to Respondents

Not applicable.

10. Confidentiality of Information

Normally none of the information referred to in 10 CFR §§ 110.31-32 is considered confidential or proprietary. However, when the exporter specifically requests the NRC to keep the information confidential, the NRC will treat the information as "Company Proprietary" as in accordance with 10 CFR § 2.390.

11. Justification for Sensitive Questions

There are no sensitive questions.

12. Estimated Burden and Burden Hour Cost

All licensees comply equally with the requirements of 10 CFR §§ 110.19, 110.20, 110.21, 110.22, 110.23, 110.31, 110.32 and 110.51. Based upon our experience, for the collection in 10 CFR § 110.31, we estimate 319 applications will be filed on NRC Form 7, to include 76 applications for imports and production and utilization facilities, previously filed by letter under control number 3150-0036. Using an average cost of \$201 per hour for reactor and material licensees, the annual cost required to prepare the NRC Form 7 is estimated as follows:

Annual Reporting or Disclosure Burden for NRC Form 7:

<u>Annual Number of Respondents</u>	<u>Annual Number of Responses per Respondent</u>	<u>Hours per Response</u>	<u>Total Hours</u>	<u>Cost</u>
316	1	2.4	758.4	\$152,438

(Incidental radioactive material export filings under 10 CFR §§ 110.19(b), 110.20(a)(1), 110.21(e), 110.22(f), 110.23(c); nuclear material and equipment export submissions under 10 CFR §§ 110.31-110.32)

3	1	10	30	\$6,030
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(Radioactive waste export submissions under 10 CFR § 110.31-110.32)

The total annual burden is estimated at 788.4 hours, rounded to 788, at a cost of \$158,388 (788 x \$201).

13. Estimate of Other Additional Costs

None.

14. Estimated Annualized Cost to the Federal Government

The collection of information under the current clearance period for NRC Form 7 is estimated to require approximately 3,000 professional staff hours per year to investigate, review and take action on the reported information referred to above in 10 CFR §§ 110.19-110.23, and 10 CFR §§ 110.31-110.32 as well as respond to public inquiries and to maintain and store the files. An additional 4,800 professional staff hours per year is estimated for the next clearance period for NRC Form 7, of which 2,000 hours is being transferred from OMB Clearance Number 3150-0036 to process the 76 license requests filed previously by letter, and 2,800 hours is estimated for the processing of Part 110 Appendix P applications. The annual cost to the Federal Government, at an average of \$201 for reactor and materials licenses, is \$1,567,800 (7,800 professional staff hours x \$201). This is a subset of the annual labor cost approved by OMB for the costs associated with 10 CFR Part 110 (see OMB Clearance Number 3150-0036). The cost of NRC Form 7 and Part 110 is recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and 171.

15. Reasons for Changes in Burden or Cost

There is no change in the burden of an average of 2.4 hours to complete the revised NRC Form 7. Respondents do not complete the entire NRC Form 7, only applicable sections depending on the nature of their license request. The burden for imports, exports of production or utilization facilities, amendments and renewal applications submitted by letter (10 CFR Part 110 §§ 110.31, 110.32 and 110.51) under OMB Clearance Number 3150-0036 is estimated at one hour per response. However,

because the information is similar to the information required to be submitted currently on NRC Form 7, staff has re-estimated the burden for these respondents at 2.4 hours per response. The total annual respondents have increased from 240 to 319, and the burden has increased from 599 to 788 hours for NRC Form 7 in this clearance package to include the 76 additional responses for imports, exports of production or utilization facilities, amendments and renewal applications previously reported by letter under 10 CFR Part 110 (OMB Clearance Number 3150-0036).

16. Publication for Statistical Use

Not applicable.

17. Reason for Not Displaying the Expiration Date

The expiration date is displayed.

18. Exceptions to the Certification Statement

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in the collection of information.