

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

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, U.S. Nuclear Regulatory Commission's (NRC's) safeguards Material Control and Accounting regulations for fuel facilities require the conduct of physical inventories of SNM on a periodic basis by licensees. Title 10 of *Code of Federal Regulations* (10 CFR) Part 74.17 requires the reporting of physical inventory results on NRC 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. The NRC issued a final rulemaking on December 23, 2002 (67 FR 78130) entitled "Material Control and Accounting Amendments," to implement nuclear material control and accounting requirements for SNM of moderate strategic significance which are delineated in 10 CFR Part 74.41 thru 74.45, which became effective March 24, 2003.

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 Part 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 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 58791), consistent with Government Paperwork Elimination Act, which allows its 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. It is estimated that approximately 60% of the potential responses are filed electronically.

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

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 for this clearance package has been published in the *Federal Register*.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Confidential and proprietary information is protected in accordance with NRC regulation at 10 CFR 9.17(a) and 10 CFR 2.390(b). However, no information normally considered confidential or proprietary is requested.

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. The number of forms to be received is estimated as follows:

- There are currently three uranium enrichment facilities that are required to conduct dynamic physical inventories every 2 months and static physical inventories every 12 months, including a newly licensed enrichment facility that began its operation in 2009. Each of these facilities submits 6 reports per year (5 bimonthly reports plus one combined annual/bimonthly report). These facilities submit a total of 18 reports (6 reports annually x 3 facilities).
- Two facilities that process high and low strategic SNM are required to conduct physical inventories at least every 6 months. Each facility has 2 semi-annual reports for high-enriched and 2 semi-annual reports for low-enriched uranium, thus resulting in 8 reports (2 facilities x 2 reports [high and low enriched uranium] x 2 reports annually).
- There is no current facility that processes SNM of moderate strategic significance since a former facility is now in decommissioning status (0 reports).
- 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. This results in 5 reports (5 fabricators x 1 report annually).

Overall, there will be an estimated 31 inventory summary reports required each year (18 reports + 8 reports + 5 reports).

The completion of the SNM Physical Inventory Summary Report (NRC Form 327) will require an estimate of 4.0 staff hours per licensee per report (including any

time needed to read or review the NUREG guidance document). The total estimated burden is approximately 124 hours (31 reports x 4.0 hours/report). The total annual cost is approximately \$31,868 (124 hours x \$257 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<br>(31 reports x 2 hours/report x \$257 per hour)=   | = | \$15,934 |
| Annual cost - compilation, printing<br>and distribution of inventory difference<br>information in NUREG-0430<br>(\$750 for compilation, \$360 for printing,<br>and \$440 for distribution) | = | \$1,550  |
| Total annual cost  | = | \$17,484 |

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

The burden increased by 24 hours, from 100 hours (25 reports x 4 hours per report) to 124 hours (31 reports x 4 hours per report). This increase is due to the addition of a newly licensed enrichment facility, which began its operation in 2009. The addition of this facility added an estimated 6 reports annually (5 bimonthly reports plus one combined annual/bimonthly report). These additional 6 reports resulted in a 24 hour increase in burden (6 reports x 4 hours per report = 24 hours).

In addition, the cost to industry for professional effort has increased from \$214/hour to \$257/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.