

DRAFT SUPPORTING STATEMENT  
FOR  
NRC FORM 749, "MANUAL LICENSE VERIFICATION REPORT"

(3150-0223)

EXTENSION

Description of the Information Collection

Compliance with the requirements in 10 CFR Part 37, "Physical Protection of Byproduct Material" became mandatory in March 2014 for U.S. Nuclear Regulatory Commission (NRC) licensees possessing certain quantities of radioactive materials and Agreement State licensees were required to comply with the requirements by March of 2016. One of the requirements in 10 CFR Part 37 requires licensees to verify, with the license issuing authority or through the License Verification System (LVS), a licensee's license before transferring certain types and quantities of radioactive materials. The information to be verified includes details such as the authorization for the receipt of the type, form, and quantity of radioactive material to be transferred and that the licensee is authorized to receive radioactive material at the location requested for delivery.

The current information collection seeks to facilitate the verification that is conducted by contacting the license issuing authority. The verification information is completed by both the licensee transferring the radioactive materials and the license issuing agency, using NRC Form 749, Manual License Verification Report. The information collected on this form represents the minimum information necessary for the license issuing agency to determine if the requested transfer of radioactive material is authorized on a recipient's license, and to provide the verification outcome to the licensee transferring the materials as described in Part 37.71(a) and (b).

The information being provided by the licensee transferring radioactive materials is the date of the verification request, the transferring licensee information, including license issuing agency, licensee name, license number, contact name, title, phone number, fax number (if applicable), and email address. Also provided is the receiving licensee information including license issuing agency, licensee name, license number, license amendment number, license issue date, authorized storage location, radioactive material being requested, the material chemical/physical form, and the quantity/activity being requested.

The information being provided by the license issuing agency is the verifier's name, phone number, fax number (if applicable), and email address. In addition, the verification date and verification outcome are also provided. This information allows the NRC to ensure that they are only providing non-public, sensitive license information to authorized individuals.

## A. JUSTIFICATION

### 1. Need For and Practical Utility of the Collection of Information

There is broad U.S. Government and international interest in ensuring licensees receive only authorized radioactive materials in authorized quantities for radioactive materials of concern. Prior to the implementation of the Web-based Licensing (WBL) system and the LVS, there was no single information system available to verify the authorized licensees, users, locations, or quantities of certain radioactive materials. The NRC WBL contains the licenses issued by the NRC and Agreement States for licenses that authorize certain quantities of radioactive materials. The verification of licenses is part of a comprehensive radioactive source control program for the radioactive materials of greatest concern. Although a national license verification system cannot ensure the physical protection of sources, it provides for greater source accountability. A national license verification system in conjunction with other controls improves security for certain radioactive materials in quantities of concern. The requirements for the verification of licenses through the regulatory authority prior to the transfer of quantities of radioactive materials of concern are contained in 10 CFR Part 37. In particular:

Section 37.71(a) requires any licensee transferring category 1 quantities of radioactive material to a licensee of the Commission or an Agreement State, prior to conducting such transfer, to verify with the NRC's license verification system or the license issuing authority that the transferee's license authorizes the receipt of the type, form, and quantity of radioactive material to be transferred and that the licensee is authorized to receive radioactive material at the location requested for delivery. If the verification is conducted by contacting the license issuing authority, the transferor shall document the verification. For transfers within the same organization, the licensee does not need to verify the transfer.

Section 37.71(b) requires any licensee transferring category 2 quantities of radioactive material to a licensee of the Commission or an Agreement State, prior to conducting such transfer, to verify with the NRC's license verification system or the license issuing authority that the transferee's license authorizes the receipt of the type, form, and quantity of radioactive material to be transferred. If the verification is conducted by contacting the license issuing authority, the transferor shall document the verification. For transfers within the same organization, the licensee does not need to verify the transfer.

Section 37.71 (c) allows in an emergency where the licensee cannot reach the license issuing authority and the license verification system is nonfunctional, the licensee may accept a written certification by the transferee that it is authorized by license to receive the type, form, and quantity of radioactive material to be transferred. The certification must include the license number, current revision number, issuing agency, expiration date, and for a category 1 shipment the authorized address. The licensee shall keep a copy of the certification. The certification must be confirmed by use of the NRC's license verification system or by contacting the license issuing authority by the end of the next business day. If the

licensee contacts the licensing issuing authority, they can use the NRC Form 749 to facilitate the manual license verification as it is used for 37.71 (a) and (b).

37.71 (c) is an exception for an emergency case where the LVS is not available and the regulator that issued the license cannot be reached. In this emergency case, the licensees are allowed to complete the verification with each other, and they must follow up with a documented license verification with the regulator the next day. This can be either using LVS or using the manual process and optionally the 749 form.

Section 37.71 (d) requires the transferor to keep a copy of the verification documentation as a record for 3 years.

Note that the burden for license verification using the LVS is covered under recordkeeping burden for 10 CFR Part 37, OMB clearance number 3150-0214. This clearance requests additional reporting burden for licensees using NRC Form 749, "Manual License Verification Report" rather than the LVS.

## 2. Agency Use of Information

The NRC and Agreement State agencies will use the information collected to determine if the licensee requesting receipt of radioactive materials of concern is authorized to receive the type, form, and quantity of radioactive material to be transferred and that the licensee is authorized to receive radioactive material at the location requested for delivery. This verification helps protect the nation from the threat of the malevolent use of radioactive materials.

## 3. Reduction of Burden Through Information Technology

There are no legal obstacles to reducing the burden associated with this information collection through the use of information technology. The NRC encourages licensees to use information technology when it would be beneficial to them.

A review of the manual license verification report submissions for the years 2014, 2015, and 2016, indicate that 100% of the submissions were completed electronically by emailing the NRC Form 749.

## 4. Effort to Identify Duplication and Use Similar Information

No sources of similar information are available. There is no duplication of requirements.

## 5. Effort to Reduce Small Business Burden

While some licensees who are subject to the 10 CFR Part 37 license verification requirements are small businesses, the concerns associated with the safe and secure use of radioactive materials of concern 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 license verification procedures while maintaining the required level

of public health and safety and common defense and security. It is estimated that 38 percent of respondents to this collection are small businesses.

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

The NRC Form 749 is a voluntary form to facilitate a manual license verification, which can be used when the licensee does not have internet access to complete the verification online through the LVS; if the licensee's LVS user account is expired or inactive; or if the licensee receives a message in LVS to contact the regulatory agency. If the NRC Form 749 were not available, licensees who do not have access to LVS for these reasons would need to provide their own mechanism for documenting the manual verification.

If the information on NRC Form 749 and in the LVS were not provided by the licensee and the license issuing authority, the regulatory agencies inspecting for compliance with the 10 CFR Part 37 requirements would not have a way to determine if the licensee requesting receipt of radioactive materials of concern is in compliance with the license verification requirement in 10 CFR 37.71. To assure adequate protection of the public health and safety and the common defense and security, licensees and regulatory agencies provide this information prior to the transfer of radioactive materials of concern.

7. Circumstances Which Justify Variation from OMB Guidelines

Contrary to OMB Guidelines in 5 CFR 1320.5(d)(2), Sections 37.71(a) through (d) of 10 CFR Part 37 require licensees to verify a license prior to the transfer of radioactive materials of concern (a reporting frequency of less than 30 days).

This information collection frequency is necessary to ensure only authorized licensees are receiving radioactive materials of concern in authorized quantities at authorized locations.

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 regulations 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

Not Applicable.

12. Estimated Burden and Burden Hour Cost

Since compliance with the 10 CFR Part 37 license verification requirement for NRC licensees was required by March 2014, and by March 2016 for Agreement State licensees, the combined average monthly number of manual license verifications is 38 (based on the first 9 months of 2016), for a total estimate of 456 annual verifications. Due to the simplicity of the form and the minimal information being requested, the estimated burden on licensees is 0.10 (6 minutes) per verification. This includes completing the form and submitting it via email to the LVS help desk. While the form has a number of fields on it, the actual fields populated by the licensee are the date, their license information and the receiving licensee information (both of which are readily available and do not require a lookup), and the material and quantity being requested, which is also readily available. The remaining fields are populated by the LVS help desk staff or the regulatory agency that issued the license. The total estimated annual burden in hours is 46 hours (0.10 hrs. x 456 submissions), for a total annual financial burden of \$12,190 (46 hours x \$265/hr.).

The recordkeeping burden is addressed in the 10 CFR Part 37 OMB Clearance, OMB clearance number 3150-0214.

13. Estimate of Other Additional Costs

There are no additional costs.

14. Estimated Annualized Cost to the Federal Government

Based on data from 2014, 2015 and 2016, out of the estimated total of 456 manual license verification submissions to the LVS help desk, the NRC processes an estimated 15 submissions per year for licensees wanting to transfer materials in quantities of concern to NRC licensees. The rest of the submissions are for licensees wanting to transfer materials to Agreement State licensees, therefore, those submissions are processed by the Agreement State regulatory agencies. Due to the simplicity of the form and the minimal information needed to complete a license verification, the estimated burden to the federal government is 0.17 hours (10 minutes) per verification. The estimated annual cost to the federal government is 3 hours (0.17 hrs. x 15 submissions), for a total annual financial burden of \$795 (3 hours x \$265/hr.).

15. Reasons for Change in Burden or Cost

There has been an increase in the number of forms submitted annually because the license verification requirements did not apply to Agreement State licensees until 2016. In the last clearance, the NRC estimated 29 manual license verifications in the years 2014 and 2015, and 215 manual verifications in the year 2016, for an annual

average of 91 manual verifications. The current submission estimates 456 manual verifications annually.

The information provided by licensees will ensure that only authorized licensees obtain radioactive materials in authorized amounts. The collection will allow the NRC or Agreement State to confirm that (1) a license is valid and accurate, (2) a licensee is authorized to acquire quantities and types of radioactive materials, and (3) that the licensee is authorized to receive radioactive material at the location requested for delivery.

16. Publication for Statistical Use

Licensee submittals will not be published.

17. Reason for Not Displaying the Expiration Date

The expiration date will be displayed.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.