

DRAFT SUPPORTING STATEMENT FOR
NRC FORM 748
NATIONAL SOURCE TRACKING TRANSACTION REPORT

(OMB CLEARANCE NO. 3150-0202)

EXTENSION

Description of the Information Collection

The Energy Policy Act of 2005 required the Nuclear Regulatory Commission (NRC) to issue regulations establishing a mandatory tracking system for radiation sources in the United States. In response to that mandate, the National Source Tracking System (NSTS) was developed through close cooperation with other Federal and State agencies. Under this program, licensees are required to report information on the manufacture, transfer, receipt, and disposal of nationally tracked sources. This information is used to maintain the NSTS, and provides the NRC with a "cradle-to-grave" account for these sources, thus improving accountability and controls over them. Licensees can submit this transaction information by using the online NSTS or the NRC Form 748 - "National Source Tracking Transaction Report." The data elements contained on the NRC Form 748 represent the minimum information necessary to track the nationally tracked sources from cradle to grave to ensure that all such sources continue to be accounted for.

The online NSTS allows licensees to report transactions directly into the system. Because this system requires a digital credential (an electronic identification which establishes a user's credentials when processing transactions on the web), it allows licensees to access previously entered source data without requiring them to rekey that information. For example, once a source is entered into the system, the licensee can enter subsequent transactions for that source without re-entering information about the source. In the online NSTS system, licensees can use batch uploads to submit data on multiple transactions. This ability to upload multiple transactions represents a large time savings for manufacturers and distributors and other licensees who perform multiple transactions on a regular basis.

Justification

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

There is broad U.S. Government and international interest in tracking radioactive sources to improve accountability and control. Prior to implementation of the NSTS, there was no single U.S. source of information to verify the authorized users, locations, quantities, and movement of these materials. Separate NRC and Agreement State systems tracked licensees and the maximum amounts of materials they are authorized to possess but did not record actual sources or their movements. National source tracking is part of a comprehensive radioactive source control program for radioactive materials of greatest concern. Although a national source tracking program cannot ensure the physical protection of sources, it provides greater source accountability. The information collection, in conjunction with other controls, directly supports a comprehensive radioactive source control program for radioactive materials of greatest concern.

The information collected enhances the ability of the NRC and Agreement States to conduct inspections and investigations, communicate information to other government agencies, and verify legitimate ownership and use of nationally tracked sources. In addition, the national source tracking program fulfills a U.S. Government commitment to the International Atomic Energy Agency *Code of Conduct on the Safety and Security of Radioactive Sources*.

Section 20.2207(a) requires manufacturers of any nationally tracked source to complete and submit a National Source Tracking Transaction Report or by other means specified in the rule. The report must include the following information: (1) the name, address, and license number of the reporting licensee; (2) the name of the individual preparing the report; (3) the manufacturer, model, and serial number of the source; (4) the radioactive material in the source; (5) the initial source strength in becquerels (curies) at the time of manufacture; and (6) the manufacture date of the source. This information is needed to monitor on a timely basis the location and manufacture of new nationally tracked sources.

Section 20.2207(b) requires licensees to report the transfer of any nationally tracked source to another person on a National Source Tracking Transaction Report or by other means specified in the rule. The report must include the following information: (1) the name, address, and license number of the reporting licensee; (2) the name of the individual preparing the report; (3) the name and license number of the recipient facility and the shipping address; (4) the manufacturer, model, and serial number of the source or, if not available, other information to uniquely identify the source; (5) the radioactive material in the source; (6) the initial or current source strength in becquerels (curies); (7) the date for which the source strength is reported; (8) the shipping date; (9) The estimated arrival date; and (10) for nationally tracked sources transferred as waste under a Uniform Low-Level Radioactive Waste Manifest, the waste manifest number and the container identification of the container with the nationally tracked source. This information is needed to monitor on a timely basis the location and transfer of the nationally tracked sources.

Section 20.2207(c) requires licensees to report the receipt of any nationally tracked source on a National Source Tracking Transaction Report or by other means specified in the rule. The report must include the following information: (1) the name, address, and license number of the reporting licensee; (2) the name of the individual preparing the report; (3) the name, address, and license number of the person that provided the source; (4) the manufacturer, model, and serial number of the source or, if not available, other information to uniquely identify the source; (5) the radioactive material in the source; (6) the initial or current source strength in becquerels (curies); (7) the date for which the source strength is reported; (8) the date of receipt; and (9) for material received under a Uniform Low-Level Radioactive Waste Manifest, the waste manifest number and the container identification with the nationally tracked source. This information is needed to monitor on a timely basis the location and receipt of the nationally tracked sources.

Section 20.2207(d) requires licensees to report the disassembly of any nationally tracked source on a National Source Tracking Transaction Report or by other means specified in the rule. The report must include the following information: (1) the name, address, and license number of the reporting licensee; (2) the name of the individual preparing the report; (3) the manufacturer, model, and serial number of the source or, if not available, other information to uniquely identify the source; (4) the radioactive material in the source; (5) the initial or current source strength in becquerels (curies); (6) the date for which the source strength is reported; and (7) the disassemble date of the source. This information is needed to monitor on a timely basis the status of the nationally tracked sources.

Section 20.2207(e) requires licensees to report the disposal of any nationally tracked source on a National Source Tracking Transaction Report or by other means specified in the rule. The report must include the following information: (1) the name, address, and license number of the reporting licensee; (2) the name of the individual preparing the report; (3) the waste manifest number; (4) the container identification with the nationally tracked source; and (5) the date of disposal; and (6) the method of disposal. This information is needed to know the final dispensation of a nationally tracked source.

Section 20.2207(g) requires licensees to correct errors in previously filed reports or file any missed transaction reports within 5 business days of the discovery. The section also requires licensees to reconcile and verify the inventory of nationally tracked sources possessed by the licensee against the licensee's data in the NSTS on an annual basis. This verification is necessary to maintain the accuracy and reliability of the system over time. The burden to correct errors and file missed transaction reports is included in this clearance. The burden to conduct an annual reconciliation with the NSTS is accounted for in the OMB clearance for 10 CFR Part 20 (3150-0014).

Section 20.2207(h) requires licensees to report their initial inventory of nationally tracked sources to the NSTS. Category 1 sources must be reported by January 31, 2009 and Category 2 sources must be reported by January 31, 2009. The initial inventory report must include the following information: (1) the name, address, and license number of the reporting licensee; (2) the name of the individual preparing the report; (3) the manufacturer, model, and serial number of each nationally tracked source or, if not available, other information to uniquely identify the source; (4) the radioactive material in the sealed source; (5) the initial or current source strength in becquerels (curies); and (6) the date for which the source strength is reported. This information will populate the NSTS and form the baseline for the system. This is a one-time collection that was included in the clearance package for 10 CFR Part 20, clearance number 3150-0014. The burden for this one-time collection is accounted for in the OMB clearance for 10 CFR Part 20 (3150-0014)

Section 32.201 requires licensees who manufacture nationally tracked sources after the effective date of the rule to assign a unique serial number to each nationally tracked source. Manufacturers already do this; however, the rule will mandate it. In order to track the movement of sources, a unique way to identify the specific source is necessary. The NSTS will use the combination of the manufacturer, model, and serial number to track the sources. This requirement is included in the clearance package for 10 CFR Part 32, clearance number 3150-0001.

When the NSTS was developed, the NRC added 97 additional optional data fields for the benefit of licensees (such as package ID and shipping ID). To date, no licensees have used the additional fields. . Although these additional data fields are not being used, NRC staff do not plan to remove them from the system, due to the cost associated with contractor modifications of the system.

2. Agency Use of the Information

The NRC will use the information to identify licensees that possess nationally tracked sources so they can be contacted or inspected and to better understand and monitor the location and movement of high-risk sealed sources

3. Reduction of Burden Through Information Technology

The NRC has issued [*Guidance for Electronic Submissions to the NRC*](#) which provides direction for the electronic transmission and submittal of documents to the NRC. Electronic transmission and submittal of documents can be accomplished via the following avenues: the Electronic Information Exchange process, which is available from the NRC's "Electronic Submittals" Web page, by Optical Storage Media (e.g. CD-ROM, DVD), by facsimile, or by e-mail.

Approximately 10 percent of responses are mailed or faxed versions of the NRC Form 748. Another 25 percent of responses are electronically submitted (emailed) versions of the NRC Form 748. The remaining 65 percent of

responses are electronically submitted using NRC's online NSTS reporting system or submitted by batch upload in a computer-readable format. Therefore, approximately 90 percent of responses are submitted electronically.

4. Effort to Identify Duplication and Use Similar Information

Some information on plutonium (Pu) and thorium (Th) would be collected by both the Nuclear Materials Management Safeguards System (NMMSS) and the NSTS. The current regulations require reporting transfers, receipts, and inventory to NMMSS for one gram or more of Pu and any Th that has foreign obligations. However, because NMMSS does not collect information at the item level, information (e.g., manufacturer, model, serial number, source strength) on sealed sources would not be reported to NMMSS. Therefore, the NRC would not be able to extract the information for the NSTS from NMMSS.

Conversely, the NSTS contains information only on nationally tracked sources and not information on sources that are not considered sealed or any bulk material that a licensee may possess. Therefore, the NRC is not able to extract information from the NSTS to support NMMSS. Neither system would be able to collect the needed information for the other system without modifications to the database and the regulations.

In practice, the NRC has found that nationally-tracked Pu and Th sealed sources are typically held by licensees for long time periods and are not routinely transferred to other licensees; so incidences of double-reporting are expected to be rare. Only 10 licensees have indicated that they possess Pu or Th sources that will need to be reported to the NSTS. The NRC does not believe that the limited number of licensees and transactions likely to be affected by this dual reporting requirement would impose an unnecessary burden. The NMMSS and the NSTS would collect information on these isotopes but in different formats and with different levels of detail as needed by each system.

5. Effort to Reduce Small Business Burden

While some licensees who possess nationally tracked sources are small businesses, the concerns associated with the safe and secure use of nationally tracked sources 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 reporting or control procedures while maintaining the required level public health and safety of common defense and security. It is estimated that 40 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

If the information is not collected, the NRC will have no way to identify licensees that possess nationally tracked sources or monitor the location and movement of the sources.

Required reports are collected and evaluated on a continuing basis as transactions and events occur. The schedule for collecting the information is the minimum frequency necessary to monitor the location and movement of nationally tracked sources from a security standpoint and ensure that the information in the NSTS is accurate and up-to-date.

7. Circumstances Which Justify Variation from OMB Guidelines

Contrary to OMB Guidelines in 5 CFR 1320.5(d)(2), Sections 20.2207(a) through (e) of 10 CFR Part 20 require licensees to complete and submit a National Source Tracking Transaction Report by the close of the next business day after the transaction. Section 20.2207(g) of 10 CFR Part 20 requires licensees to correct errors and file reports for any missed transaction within 5 business days. This information collection frequency is necessary to monitor the current location of nationally tracked sources from a security standpoint and ensure that the information in the NSTS is accurate and up-to-date.

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 Gifts 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).

The information reported to the NSTS is "Official Use Only-Security-Related Information", which is a category assigned to certain sensitive unclassified non-safeguards information at the NRC. Licensees will only have access to their own information."

11. Justification for Sensitive Questions

This information collection does not contain sensitive questions.

12. Estimated Burden and Burden Hour Cost

The \$263 hourly rate used in the burden estimates is based on the Nuclear Regulatory Commission's fee for hourly rates as noted in 10 CFR 170.20 "Average cost per professional staff-hour." For more information on the basis of this rate, see the Revision Of Fee Schedules; Fee Recovery For Fiscal Year 2017 (82 FR 30682; June 30, 2017).

As shown in Table 1, the estimated annual burden to licensees to report to the NSTS is estimated to be 1963.1 hours at a cost of \$516,295.30 (1963.1 hours x \$263/hour). A total of approximately 1,400 licensees (260 NRC licensees + 1,140 Agreement State licensees) report NSTS data to the NRC.

Licensees have several options for reporting transaction information to the NSTS:

- 1) Secure Web-based access to the NSTS database
- 2) Submittal of files in computer-readable format (e.g., batch upload)
- 3) Submittal of the National Source Tracking Transaction Report NRC (Form 748) by email, fax, or mail, or
- 4) Telephone reporting to the NSTS Help Desk, with follow up by fax or mail

The burden varies by the method of reporting. For reporting using the NRC Form 748, licensees can use the "short form" (for every transaction type) or the "long form" (for multiple transaction types). Since the majority of licensees reporting by NRC Form 748 use the short form instead of the long form, which reduces the burden on the respondent (0.15 hours for the short form as compared to 0.25 hours for the long form), the burden estimates assume all transactions are reported using the short form. In addition, the majority of licensees who report using the NRC Form 748 submit the form by email or fax.

Based on annual averages from calendar years 2015, 2016, and 2017 the NRC receives approximately 3,300 online transactions a month, or 39,600 transactions per year. However, licensees typically report an average of three transactions in a single submission. As a result, the NRC receives approximately 13,200 submissions a year (39,600 transactions / 3 transaction per submission), with an estimated burden of 0.08 hours per submission.

Licensees may also report their information using the computer-readable file format (batch upload). The NRC receives approximately 2 batch uploads each business day. With approximately 20 business days per month, and 12 months per year, the NRC receives an estimated 480 batch uploads per year (2 batches/day x 20 days x 12 months). Batch uploads are estimates to take approximately 15 minutes (0.25 hrs) per batch.

Table 1.
Annual Licensee Reporting Burden

Reporting Method	Responses	Burden per Response	Total Annual Burden (hours)	Cost at \$263/hr ¹
NRC Form 748 – Email	4,781	0.15	717.2	\$188,623.60
NRC Form 748 – Fax	466	0.15	69.9	\$18,383.70
NSTS Online Submission	13,200	0.08	1,056.0	\$277,728
Batch Upload	480	0.25	120.0	\$31,560
Total	18,927		1963.1	\$516,295.30

13. Estimate of Other Additional Costs

The NRC estimates that licensees would experience an annual cost of about \$735 in printing and faxing costs. The additional cost varies by reporting method. As shown in Table 2, the NRC estimates that, on average, licensees would incur a materials cost of \$0.56 for each report they fax to the NSTS. This estimate includes printing of the NRC Form 748 and a two-minute State-to-State telephone call.

Table 2
Licensee Additional Costs

Reporting Method	# Reports	Additional Cost Per Report	Total Additional Cost
NRC Form 748 – Email	3,935	\$0.00	\$0
NRC Form 748 – Fax	1,312	\$0.56	\$734.58
NSTS Online Submission	13,200	\$0.00	\$0
Batch Upload	480	\$0.00	\$0
Total	18,927		\$734.58

Internet access is considered a standard business practice. Therefore, the cost associated with the purchase of Internet access services is not considered an incremental cost to licensees that email the NRC Form 748 or report NSTS data using the online system or batch upload.

14. Estimated Annualized Cost to the Federal Government

The staff has developed estimates of annualized costs to the Federal Government related to the conduct of this collection of information. These

¹ Burden hours shown in the total annual burden hours column have been rounded to the nearest tenth of an hour; however, costs shown are multiplied by the unrounded burden hour total. As a result, costs shown on the table may not match the total burden hours shown x \$263.

estimates are based on staff experience and subject matter expertise and include the burden needed to review, analyze, and process the collected information and any relevant operational expenses.

The estimated cost of operating the NSTS is approximately \$3,000,000 per year. This cost was calculated by multiplying the current fee rate of \$263/hr by the total number of hours (10,753) that the NRC estimates it will expend annually to process data in the NSTS, the hosting environment of NSTS, annual NSTS software maintenance, cost of automated data processing, record holding, and clerical processing of the NRC Form 748.

15. Reasons for Change in Burden

The previous burden for this collection was 2,209.7 hours and 20,306 responses. The burden is expected to decrease to 1,963.1 hours and 18,927 responses (a decrease of 246.6 hours and 1,379 responses). The burden estimate for the next three years is based on actual data from the system from the past three years (submission counts by reporting method), as well as staff knowledge of the industry. The NRC anticipates that the number of submissions over the clearance period will be consistent with the number of submissions for the past three years. In addition, the fee rate has decreased from \$279 to \$263/hr.

16. Publication for Statistical Use

The information requested will not be published for statistical use.

17. Reason for Not Displaying the Expiration Date

The clearance expiration date is displayed on NRC Form 748. Due to costs associated with contractor modifications of the NSTS, the expiration date is not displayed on the first screen of the system. All other required information (burden estimate, mandatory nature of the collection, agency use of the information, etc.) is included in a PRA statement on the first screen of the system.

18. Exceptions to the Certification Statement

None.

B. Collection of Information Employing Statistical Methods

Not applicable.