

FINAL OMB SUPPORTING STATEMENT
FOR
DOE/NRC FORM 741, NUCLEAR MATERIAL TRANSACTION REPORT
AND
NUREG/BR-0006, INSTRUCTIONS FOR COMPLETING
NUCLEAR MATERIAL TRANSACTION REPORT (DOE/NRC FORMS 741 AND 740M)
(3150-0003)

REVISION

Description of the Information Collection.

DOE/NRC Form 741, "Nuclear Material Transaction Report" is used for the collection of information for each International Atomic Energy Agency (IAEA) material balance area showing all changes in the inventory of nuclear material. Forms and instructions are provided to all affected licensees by NRC. DOE/NRC Form 741A, "Continuation Sheet", will be discontinued starting October 2003. Reports are required to be submitted in computer readable format. Reports are required as occasioned by occurrence of specified events, such as the receipt, transfer, or adjustment to inventory of licensed material. Reports are collected on a continuing basis as transactions occur. The instructions for completing DOE/NRC Form 741 are in NUREG/BR-0006, "Instructions for Completing Nuclear Material Transaction Reports (DOE/NRC Form 741 and 740M)". DOE/NRC Form 741 was revised per a directive from the State Department to capture all information needed in accordance with the international agreements with the IAEA.

A. JUSTIFICATION.

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

In order for the United States to fulfill its responsibilities as a participant in the US/IAEA Safeguards Agreement and satisfy its domestic safeguards responsibilities, it is necessary for licensees affected by 10 CFR Part 75 and related sections of Parts 40, 50, 70, 72, 74, and 150 to submit accounting reports. The accounting reports for each IAEA material balance area must include inventory change reports showing all changes in the inventory of nuclear material.

NRC regulations (10 CFR 40.64, 70.54, 74.15, 75.31, 75.34, 150.16, and 150.17) require NRC and Agreement State licensees to prepare certain inventory and accounting reports for reporting any special nuclear material (SNM) or source material inventory changes that meet certain criteria. These criteria include: (1) each transfer and receipt of SNM of one gram or more of contained uranium-235, uranium-233, or plutonium, or any combination thereof; or (2) one kilogram or more of foreign origin source material (depleted uranium, natural uranium, or thorium).

DOE/NRC Form 741, "Nuclear Material Transaction Report" is used for the collection of this information. NRC and the Department of Energy (DOE) jointly utilize a Nuclear Materials Management and Safeguards System (NMMSS). Common reporting forms are used to minimize the reporting burden on industry members required to provide regulations or contractual obligations. The licensee is thus able to file one report to meet the requirements of both agencies. Compliance

with specific reporting requirements is monitored by the agency for which the specific data are required.

2. Agency Use of Information.

NRC is required to collect nuclear material transaction information for domestic safeguards use and make it available to the IAEA. The use of DOE/NRC Form 741 together with NUREG/BR-0006, the instructions for completing the forms, enables NRC to collect, retrieve, analyze as necessary, and submit the data to IAEA to fulfill its reporting responsibilities. Without these report forms, in ADP format, NRC's ability to collect and provide this data would be severely limited.

3. Reduction of Burden Through Information Technology.

There are no legal obstacles to reducing the burden associated with this information collection. NRC regulations require those licensees using DOE/NRC Form 741 to submit such reports in computer readable form. This requirement means that hard copy forms need not be submitted and minimizes burden on licensees through the use of current information technology.

4. Effort to Identify Duplication and Use Similar Information.

The Information Requirements Control Automated System (IRCAS) was searched to determine NRC duplication. There is a small amount of duplication in that, upon termination of licensed operations by a licensee, NRC requires the licensee to file NRC Form 314, reporting the transfer or other disposition of any remaining licensed radioactive material, and the date of transfer. This small duplication imposes a minimal burden on licensees and is necessary to maintain accountability of licensed material in NMMSS and to permit NRC to make a determination whether the facility has been cleared of radioactive material and is suitable for release for unrestricted use or whether additional decontamination measures may be required.

NRC and the Department of Energy jointly utilize the NMMSS to process and store and subsequently retrieve the information contained on the forms. The licensee is able to file one form to meet the requirements of both agencies. This minimizes the reporting burden on industry members required to provide nuclear material data to both agencies.

5. Effort to Reduce Small Business Burden.

Burden on licensees will vary with the size and types of licensed operation. The burden on small businesses will represent approximately five percent of the total burden. Since the health and safety consequences of improper inventorying and accounting of SNM or source material 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, recordkeeping, or accounting and control procedures.

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

Collection of the subject information corresponds to the physical movement or transmutation of special nuclear material or source material covered by the regulation. The information is generally collected from the shipper immediately following dispatch, and from the receiver within 10 days of receipt. Suggestions by reactor operators regarding delay of submittal of receiver's information to allow batch reporting on a monthly basis, for specified receipts, are being investigated to determine its practicality and impact on domestic and international safeguards. NRC and industry continue to jointly examine some industry suggestions to reduce reporting burden.

7. Circumstances which Justify Variation from OMB Guidelines.

There is no variation from OMB guidelines.

8. Consultations Outside NRC.

The opportunity for public comment on the information collection requirements was waived by OMB for this re-submission. The last clearance renewal Federal Register Notice was published on March 5, 2002 (67 FR 10005). There were no comments received.

9. Payment or Gift to Respondents.

Not applicable.

10. Confidentiality of Information.

Information on the form that respondents indicate is business or financial confidential may qualify for protection from disclosure under 10 CFR §2.790.

11. Justification for Sensitive Questions.

None.

12. Estimated Burden and Burden Hour Cost.

This reporting requirement affects approximately 1,200 licensees (480 NRC and 720 Agreement States) who possess source or special nuclear material at certain types of facilities. However, approximately 400 licensees (160 NRC and 240 Agreement States) are expected to make submissions annually. The burden for preparation and submission of each report is estimated to be 1.25 hours per response. It is estimated, based on recent experience, that approximately 370 licensees will submit between 1 and 50 reports (25), approximately 18 licensees will submit between 51 and 300 forms (175), approximately 5 licensees will submit between 301 and 1000 forms (650), approximately 2 licensees will submit between 1001 and 5000 forms (3,000), and approximately 3 licensees will submit over 5000 forms (5,000), for a total of 36,500 forms. Based on this information, the projected

total annual burden for all licensees will be 45,625 hours (36,500 forms x 1.25 hours per report).

The total annual costs to all affected licensees is estimated to be \$7,163,125 (45,625 hours x \$157/hr). Cost estimates are calculated at a rate of \$157 per hour, which is based on NRC's fee recovery rate.

13. Estimate of Other Additional Costs.

There are no additional costs associated with this reporting requirement.

14. Estimated Annualized Cost to Federal Government.

The collected information is not submitted to the NRC. Licensees report directly to the DOE NMMSS contractor. The data contained in the NMMSS is available to various NRC staff who utilize it to perform their assigned job functions, but the individual submissions are not reviewed by NRC staff. The NRC provides a portion of the funding for operation of the NMMSS on an annual basis. The total amount allocated for this purpose for fiscal year 2003 is \$1,550,000 for information filed under DOE/NRC Forms 740M, 741 and 742 and 742C and is captured on the OMB Forms 83-I, under Item 1. This amount covers the cost of information collection, overhead for operation of the NMMSS, and providing reports to those NRC staff who require them. These costs are fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and 171, but the fees do not specifically reflect the NMMSS activity.

15. Reason for Change in Burden or Cost.

The estimated burden has increased by 18,250 hours, from 27,375 to 45,625 hours because the form was revised to incorporate new fields and the increase in time required for licensees to review the revised instructions contained in NUREG/BR-0006. The time required to complete the form and review the revised instructions increased by .50 hours from .75 to 1.25 hours per response. DOE/NRC Form 741 was revised in May 2002, which incorporated six new fields (Line Number, Country of Obligation, Material Type, Obligated Element Weight, Obligated Isotope Weight, and Back Reference Number) and deleted six existing fields (Data Code, Production Code, Country Control Number, US Port of Entry, Transportation Profile, and Package Identification). DOE/NRC Form 741 was revised per a directive from the State Department to capture all information needed in accordance with the international agreements with the IAEA. DOE/NRC Form 741A, Continuation Sheet will be discontinued in October 2003. The hourly cost increased from \$144/hr to \$157/hr.

16. Publication for Statistical Use.

None.

17. Reason for Not Displaying the Expiration Date.

Not applicable.

18. Exceptions to the Certification Statement.

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Statistical methods are not used in this collection of information.