

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

(OMB CLEARANCE NO. 3150-0202)

EXTENSION

Description of the Information Collection

As a result of the terrorist attacks in the United States (U.S.) on September 11, 2001, the U.S. Nuclear Regulatory Commission (NRC) reviewed nuclear material security requirements, with particular focus on radioactive material of concern. Based on the findings of its review, the NRC amended its regulations in 2006 to implement a program called the National Source Tracking System (NSTS). 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 will provide the NRC with a "cradle-to-grave" account for these sources and, thus, improve 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 collection of NSTS data using NRC Form 748 began in 2009. After licensees began submitting data, it became clear to the NRC that licensees were confused about reporting certain transactions. Therefore, the form was updated in 2010. The information that the NRC required licensees to report remained the same, but the form was revised in order to better meet the needs of licensees, allow more efficient gathering of data, and improve the ability of licensees to comply with the regulations in 10 CFR 20.2207. The previous version of the NRC Form 748 was two pages in length, including one page of instructions. In the revised form, the NRC developed a "short form" (for every transaction type) and a "long form" (for multiple transaction types) for licensees to submit data. In addition, the licensee's ability to submit the form electronically was enhanced. Previously the form was fillable and printable. Licensees could mail or fax the form to the NRC, or scan it and send it electronically. The form was updated with the capability to save the form to the licensee's computer and email the form by clicking on the "Submit by Email" button.

In addition, the NRC developed an online system to allow reporting of NSTS data. 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.

A. 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 system cannot ensure the physical protection of sources, it provides greater source accountability. A national source tracking system in conjunction with other controls results in improved security for sealed sources. In addition, the NSTS 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 licensees'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 the clearance package for NRC Form 748, clearance number 3150-0202. The burden to conduct an annual reconciliation with the NSTS is included in the clearance package for 10 CFR Part 20, clearance number 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.

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.

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, to better understand and monitor the location and movement of high-risk sealed sources, to protect public health and safety, and to promote and maintain the common defense and security.

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. In fact, the NRC encourages licensees to use information technology when it would be beneficial to them. The NRC issued a regulation on October 10, 2003 (68 FR 58792) consistent with the Government Paperwork Elimination Act, which allows its licensees, vendors, applicants, and members of the public the option to make submissions electronically via CD-ROM, email, special web-based interfaces, or other means.

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

The 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, which is a category assigned to NRC unclassified sensitive information. Licensees will only have access to their own information. The information will be withheld from public disclosure.

11. Justification for Sensitive Questions

This information collection does not contain sensitive questions.

## 12. Estimated Burden and Burden Hour Cost

As shown in Table 1, the estimated annual burden to licensees to report to the NSTS is estimated to be 2,209.7 hours at a cost of \$616,506 (2,209.7 hours x \$279/hour). A total of 1,400 licensees (260 NRC licensees + 1,140 Agreement State licensees) report NSTS data to the NRC.

There are three main methods of reporting NSTS data:

1. NRC Form 748 (email, mail, or fax)
2. NSTS online submission
3. Batch upload

The burden varies by the method of reporting. The majority of licensees reporting by NRC Form 748 are using the short form instead of the long form, which reduces the burden on the respondent (0.156 hours for the short form as compared to 0.25 hours for the long 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 2012, 2013, and 2014, 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 \$279/hr <sup>1</sup>
NRC Form 748 – Email	5,028	0.156	784.4	\$218,839
NRC Form 748 – Fax	1,598	0.156	249.3	\$69,551
NSTS Online Submission	13,200	0.08	1,056.0	\$294,624
Batch Upload	480	0.25	120.0	\$33,480
Total	20,306		2,209.7	\$616,494

13. Estimate of Other Additional Costs

The NRC estimates that licensees would experience an annual cost of about \$895 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	5,028	\$0.00	\$0
NRC Form 748 – Fax	1,598	\$0.56	\$894.88
NSTS Online Submission	13,200	\$0.00	\$0
Batch Upload	480	\$0.00	\$0
Total	20,306		\$894.88

The NRC considers Internet access to be 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

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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 \$279.



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 \$279/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 1,601.5 hours and 13,523 responses. The burden is expected to increase to 2,209.7 hours and 20,306 responses (an increase of 608.2 hours and 6,783 responses). The estimated burden has increased for the following reasons:

- Reporting estimates have improved in the last several years. NRC is now receiving monthly reports with exact submission counts by reporting method. The current estimates are based on
- The number of overall NSTS transactions has increased over the last three years.

In addition, the fee rate has increased from \$274 to \$279 per hour.

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.

18. Exceptions to the Certification Statement

None.

B. Collection of Information Employing Statistical Methods

Not applicable.