

DRAFT OMB SUPPORTING
STATEMENT FOR
DOE/NRC FORM 740M, CONCISE NOTE
AND
NUREG/BR-0006, REVISION 7
“INSTRUCTIONS FOR COMPLETING NUCLEAR MATERIAL TRANSACTION REPORTS,
(DOE/NRC FORMS 741 and 740M)”
(3150-0057)

REVISION

Description of the Information Collection

The U.S. Nuclear Regulatory Commission (NRC) is required to collect nuclear material transaction information for domestic safeguards use and to make it available to the International Atomic Energy Agency (IAEA). One of the forms that NRC uses to collect this information is U.S. Department of Energy (DOE)/NRC Form 740M, “Concise Note.” Form 740M is used to provide additional information such as qualifying statements or exceptions to data on any of the other data forms required under the U.S.-IAEA Safeguards Agreements (including DOE/NRC Forms 741, 742, and 742C).

The licensees who are primarily affected are (1) facilities that have been notified by letter from NRC that they are subject to 10 CFR Part 75 and (2) licensees who import or export nuclear materials. However, any facility may use the DOE/NRC Form 740M to provide explanatory information concerning nuclear material transaction if they choose. NRC provides the form and instructions to all affected licensees, who must submit reports in computer readable format.

Licensees submit reports on a continuing basis when specified events occur, such as the receipt, transfer, or inventory adjustment of licensed material. The instructions for completing DOE/NRC Form 740M are in NUREG/BR-0006, “Instructions for Completing Nuclear Material Transaction Reports (DOE/NRC Forms 741 and 740M).”

The collection is being revised to include the approximate 25 additional licensees required to report pursuant to the U.S.-IAEA Caribbean Territories Safeguards Agreement, INFCIRC/366.

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 U.S.-IAEA Safeguards Agreements and satisfy its domestic safeguards responsibilities, it is necessary for licensees affected by 10 CFR Part 75 and licensees who import or export nuclear material to submit DOE/NRC Form 740M, “Concise Note.” This submittal informs the U.S. or the IAEA of any qualifying statement or exception to any of the data contained in any of the other reporting forms required under the U.S.-IAEA Safeguards Agreements.

2. Agency Use of Information

NRC is required to collect nuclear material transaction information for domestic safeguards use and to make it available to the IAEA. NRC uses DOE/NRC Form 740M, together with NUREG/BR-0006, Revision 7 (the instructions for completing the forms), to collect, retrieve, analyze, and submit required data to

IAEA. Without the report form, NRC's ability to collect and provide these 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. 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 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, e-mail, special Web-based interface, or other means. It is estimated that 99% of the responses are filed electronically.

Form 740M is used by both NRC and the DOE. NRC provides the form and instructions to all affected licensees who must submit reports in a computer readable format. Once submitted by licensees, information from these forms is saved in 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.

4. Effort to Identify Duplication and Use Similar Information

No sources of similar information are available. There is no duplication of requirements. In addition, the use of common reporting forms by DOE and NRC minimizes the reporting burden on industry members required to provide nuclear material data to one or both agencies.

5. Effort to Reduce Small Business Burden

The burden on licensees will vary with the size and type of licensed operation. The burden on small licensees represents a small percent of the total burden. Further reduction would not enable NRC to fulfill its international or domestic responsibilities.

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. This is the minimum frequency of collection required to satisfy reporting regulations and as required by the facility's license to possess material. A suggestion by reactor operators regarding delay of submittal of receiver's information to allow batch reporting on a monthly basis was reviewed and deemed to be inconsistent with international treaty commitments. NRC and industry continue to jointly examine

some industry suggestions to reduce reporting burden at annual meetings between the U.S. Government and nuclear industry representatives.

7. Circumstances which Justify Variation from OMB Guidelines

There is no variation from OMB guidelines.

8. Consultations Outside 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).

11. Justification for Sensitive Questions

None.

12. Estimated of Annualized Burden and Burden Hour Cost¹

Licensees submit reports on a continuing basis when specified events occur, such as the receipt, transfer, or inventory adjustment of licensed material. They must submit the reports in computer readable format. The data are then entered into the NMMSS, maintained by an NRC contractor. The information is not compiled or published.

NRC expects 15 licensees to submit an average of 10 DOE/NRC 740M forms each year, and 25 small licensees from Caribbean territories to each submit an average of 1 DOE/NRC 740M form each year, for an annual total of 175 reports $([15 \text{ licensees} \times 10 \text{ reports/year}] + [25 \text{ licensees} \times 1 \text{ report/year}])$. This estimate is based on the average number of forms received annually during the past 2 years, plus 25 additional reports as a result of U.S.-IAEA Caribbean Territories Safeguards Agreement, INFCIRC/366. The burden of preparation and submission of each report is estimated to be 0.75 hour. The total resulting burden for required submissions of the form by all licensees will be 131 hours $([15 \text{ licensees} \times 10 \text{ reports/licensee} \times 0.75 \text{ hour/report}] + [25 \text{ licensees} \times 1 \text{ reports/licensee} \times 0.75 \text{ hour/report}])$.

The total annual cost to all respondents to comply with this requirement is estimated to be \$34,715 $(131 \text{ hours} \times \$265/\text{hour})$. Cost estimates are calculated at a rate of \$264 per hour, which is based on NRC's fee recovery rate.

¹ Burden estimates for this form include reporting burden only. Recordkeeping burden associated with material accounting and control is included in the OMB clearance for 10 CFR Part 75 (3150-0055) under sections 75.21, 75.22, 75.23, and 75.24.

13. Estimate of Other Additional Costs

There are no additional costs.

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 that uses it to perform their assigned job functions; however, the individual submissions are not reviewed by NRC staff. The NRC costs for NMMSS operations were approximately \$1,600,000 during fiscal year 2015. This monetary value reflects the use of NMMSS for the collection of Form 740M data, in addition to other data collections and operations.

15. Reason for Change in Burden or Cost

There has been an increase in the burden for this collection by 18 hours from 113 to 131 hours. These increases are because of changes to Title 10 of the Code of Federal Regulations to implement the U.S.-IAEA Caribbean Territories Safeguards Agreement will require approximately 25 new small entities to fill out existing OMB-approved forms related to nuclear material accounting information to fulfill the obligations of the safeguards agreement. In addition, there has been a decrease in the hourly rate from \$272/hour to \$265/hour.

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.