

FINAL SUPPORTING STATEMENT
FOR
U.S. NUCLEAR REGULATORY COMMISSION FORM 327
"SPECIAL NUCLEAR MATERIAL AND SOURCE MATERIAL
PHYSICAL INVENTORY SUMMARY REPORT"
AND
NUREG/BR-0096
"INSTRUCTIONS AND GUIDANCE FOR COMPLETING
PHYSICAL INVENTORY SUMMARY REPORTS"
(3150-0139)

EXTENSION

Description of the Information Collection

The U.S. Nuclear Regulatory Commission (NRC) requires facilities to conduct physical inventories of Special Nuclear Material (SNM) on a periodic basis. The NRC Form 327 is used by certain fuel facility licensees to report the physical inventories of the SNM in their possession. The data is used by the NRC to assess licensee material control and accounting programs and to confirm the absence of (or detect the occurrence of) SNM theft or diversion.

A. JUSTIFICATION

1. Need for and Practical Utility of the Information

Title 10 of *Code of Federal Regulations* (10 CFR) 74.17 requires the reporting of physical inventory results on the NRC Form 327 each time that a physical inventory is conducted by any fuel facility authorized to possess and use more than one effective kilogram of SNM.

The NRC Form 327 requires that licensees submit information concerning inventory difference (ID), standard error of the ID (SEID), SEID limit, and ID limit. The information is needed to permit NRC to evaluate licensee performance and ability to provide accurate accounting for SNM and to confirm the absence of (or detect the occurrence of) SNM theft or diversion. The information provided by NRC Form 327 is used for:

- a) Determining whether SNM is lost, diverted, or stolen;
- b) Assessing the material control and accounting performance and compliance of SNM licensees; and
- c) Making safeguards regulatory decisions.

NUREG/BR-0096 provides specific guidance and instructions for completing the form in accordance with the requirements of the particular regulation a licensee is subject to.

2. Agency Use of Information

The NRC uses the information to ensure that licensees are complying with 10 CFR 74.17 in a manner adequate to properly account for SNM. The information is also used by the NRC to evaluate licensees' operations to ensure that they are meeting the requirements of their licenses.

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. It is estimated that approximately 7 percent of the responses are filed electronically.

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

The NRC has determined that the licensees required to submit NRC Form 327 are not small entities as that term is defined in the Regulatory Flexibility Act.

6. Consequences to Federal Programs or Policy Activities if the Collection is not Conducted or is Conducted Less Frequently

The reporting corresponds to the physical inventory frequencies required by the NRC regulations. The frequency depends on which regulation (regarding physical inventories) a licensee is subject to, which in turn depends on the category of SNM possessed by the licensee and the level of control and monitoring requirements imposed. Less frequent reporting would result in: (1) unacceptable delays in determining whether a safeguards significant quantity of SNM had been lost, diverted, or stolen; (2) inadequate NRC knowledge of a licensee's current processing throughput; and (3) inadequate NRC knowledge of a licensee's current measurement capabilities.

7. Circumstances Which Justify Variation from Office of Management and Budget (OMB) Guidelines

There is no variation from OMB guidelines.

8. Consultations Outside of the NRC

Opportunity for public comment on the information collection requirements for this clearance package was published in the *Federal Register* on September 4, 2019 (84 FR 46568). No responses or comments were received as a result of the FRN.

The NRC also contacted six licensees by email/phone and there were no responses or comments received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Confidential and proprietary information is protected in accordance with the NRC regulation at 10 CFR 9.17(a) and 10 CFR 2.390(b).

11. Justification for Sensitive Questions

Not applicable.

12. Estimate of Annualized Burden and Burden Hour Cost

As noted above, the reporting frequency depends on which regulation (regarding physical inventories) a licensee is subject to, which in turn depends on the category of SNM possessed by the licensee and the level of control and monitoring requirements imposed. The number of forms to be received is estimated as follows:

- There is currently one uranium enrichment facility that is required to conduct dynamic physical inventories every 2 months and static physical inventories every 12 months. This facility submits 18 reports per year (6 bimonthly reports plus four annual reports for each of the facility's three material balance areas).
- Two facilities that process high and low strategic SNM are required to conduct physical inventories at least every 6 months. Each facility has multiple semi-annual reports. This results in a total of 42 reports per year.
- There is no current facility that processes SNM of moderate strategic significance (0 reports).

- There are three fuel fabricators of commercial power reactor fuel (SNM of low strategic significance) that are required to perform physical inventories at least every 12 months. This results in a total of 8 reports per year for the three fabricators.

Overall, there will be an estimated 68 inventory summary reports required each year (18 + 42 + 8).

The completion of the SNM Physical Inventory Summary Report (NRC Form 327) will require an estimate of 4.0 staff hours per licensee per report (including any time needed to read or review the NUREG guidance document). The total estimated burden is approximately 272 hours (68 reports x 4.0 hours/report). The total annual cost is approximately \$75,616 (272 hours x \$278 per hour).¹

The \$278 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 2019 (84 FR 22331, May 17, 2019).

13. Estimate of Other Additional Cost

Not applicable.

14. Estimated Annualized Cost to the Federal Government

The estimated annual cost to the Federal Government in administering the program and procedures contained in these requirements is:

Total annual cost - professional effort
(68 reports x 2 hours/report x \$278 per hour) = \$37,808

These costs are fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and 171.

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

¹ Note that burden estimates for the NRC Form 327 do not include time for recordkeeping. Sections 74.31, 74.33, 74.43, and 74.59 of 10 CFR require licensees to keep records showing the receipt, inventory, acquisition, transfer, and disposal of all SNM in its possession regardless of its origin or method of acquisition. The burden for these records is included in the NRC clearance for 10 CFR Part 74, OMB clearance 3150-0123.

15. Reason for Change in Burden or Cost

The burden increased by 168 hours, from 104 hours (26 reports x 4 hours per report) to 272 hours (68 reports x 4 hours per report). This increase is due to a new analysis of the estimated burden that is informed by more complete data on the historical number of forms submitted per year by licensees. This new analysis provides a more accurate estimate of the number of submissions expected in the years 2020-2022.

In addition, the cost to industry for professional effort has increased to \$278/hour.

16. Publication for Statistical Use

Not applicable.

17. Reason for Not Displaying the Expiration Date

The expiration date is displayed on the NRC Form 327.

18. Exceptions to the Certification Statement

NUREG/BR-0096 does not comply with the requirements of 5 CFR 1320.8(b)(3) and 5 CFR 1320.8(c) since it does not display the required information including the fact that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. NUREG/BR-0096 has not been revised since October 1992 but a revision is currently planned. The NUREG/BR will be updated to comply with 5 CFR 1320.8 as part of that revision.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this collection of information.