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SUPPORTING STATEMENT FOR PROPOSED REVISIONS TO 10 CFR SECTION 73.71
NOTIFICATION REQUIREMENTS FOR SAFEGUARDS EVENTS
AND NEW 10 CFR PART 73 APPENDIX G

1. Justification

A. Need for the Information Collection

The Commission proposes to amend 10 CFR 73.71, "Reporting Requirements for Safeguards Events," to clarify and improve the policy for the reporting of safeguards events. Experience with the current rule indicates that the requirements are unclear and lead to inconsistent and unnecessary reports. The Commission requires the reports made pursuant to Section 73.71 so that the Commission may be aware of events in order to determine their significance, whether a change in a licensee's safeguards plan is needed, and to decide whether a report to Congress is necessary as required by Section 208 of the Energy Reorganization Act. The safeguards event reports are also needed for the development of a data base whereby generic problems can be identified and feedback given to licensees for improving their safeguards system.

Paragraphs (a) and (b) of Section 73.71 were first published in December of 1973. These requirements solicit specific reports of unaccounted for shipments, incidents or attempts of theft or unlawful diversion of special nuclear material, and incidents or attempts of sabotage. It was determined, however, at a later date, that the Commission required reports of events which represent a loss of safeguards capability or are indicative of an overall plan to commit an act of theft or sabotage. The Commission was concerned that a substantial safety hazard could occur as a result of a deficiency in the safeguards system. In response to this concern, an amendment to Section 73.71 was proposed in October 1979 requiring reports of events threatening or lessening the effectiveness of the safeguards system. This amendment was published in final form in January 1981 as a new paragraph (c) to Section 73.71.

The purpose of paragraph (c) was to provide information concerning security system failures whereby the NRC could identify recurrent safeguards problems and generic issues. The intention was to keep pertinent NRC Offices informed of problems at facilities, so that security deficiencies can be identified and eliminated. Since the promulgation of Section 73.71, licensees have commented that the reporting requirements are confusing. This has led to inconsistencies in what is reported and the level of detail provided. Without some level of uniformity and detail, the usefulness of such reports is limited because an adequate data base cannot be established for generic analysis. To reduce this confusion, the NRC is proposing revisions to Section 73.71. Certain definitions of safeguards events have been eliminated in the proposed rule such as moderate and major loss of safeguards system effectiveness and explicit and potential threats. These events have been redefined in less abstract terms to aid the licensee in responding to the requirements. The current twenty-four hour telephonic notification and subsequent follow-up written report requirements for certain events have been eliminated.

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Events that must be reported are described in a new Appendix G to Part 73. The NRC will also issue a revised guide to assist licensees in determining what should be reported and to provide a format for doing so.

B. Practical Utility of the Information Collection

Safeguards experience is a vehicle for providing licensees with feedback about the effectiveness of safeguards systems. Some safeguards events require immediate response by the NRC. Under the proposed Section 73.71, these events are required to be reported within one hour of detection of their occurrence to assure timely response by NRC Regional and Headquarters staff. Other safeguards events, while of less significance, are necessary for determining trends in deficiencies in safeguards systems. Within the NRC, a program has been established for the collection and analysis of all pertinent safeguards event data. This data is immediately entered into the NRC data base and analysis is begun as soon as the data is entered. Upon completion of the analysis, appropriate action and response are initiated. In order to achieve the program's new emphasis, a standardized level of detail is required for the evaluation of safeguards events. The results of the evaluation of safeguards data will provide the NRC with an improved understanding of the performance of safeguards systems allowing for the early identification of potential safeguards problems.

C. Duplication of Other Collections of Information

The Commission has made and continues to make a concerted effort to ensure consistent and coordinated reporting requirements. Revisions to Section 73.71 have been coordinated with amendments to Parts 20, 21 and 50, 70, and 74 to eliminate duplicative reporting and redundancy between safety and safeguards reports.

D. Consultations Outside the NRC

As yet, only informal consultations concerning the cost of making reports have been made. However, the intended revision will be issued for public comment, at which time outside concerns will be considered. A petition for rulemaking (RM 50-36) has been filed on behalf of a group of 29 public utilities requesting the relaxation of the written reporting requirements in 10 CFR 73.71. The written reporting requirements have been extended in the proposed regulation from 5 or 15 days to 30 days in all cases.

2. Description of Information Collection

A. Number and Type of Respondents

The proposed rule applies to each licensee who is authorized to operate a fuel reprocessing plant or nuclear power reactor, possesses or uses special nuclear material or spent reactor fuel in excess of 100 grams, is authorized to transport or deliver to a carrier

for transportation or to take delivery of special nuclear material or spent reactor fuel in excess of 100 grams, or imports or exports special nuclear material. Currently, there are approximately 70 nuclear power licensees, 10 Category I fuel facility licensees, 29 Category II licensees, 2 domestic transporters of SSNM, 5 exporters of spent fuel to the United States and 10 importer/exporters of SSNM. Approximately 126 licensees would therefore be subject to the reporting requirements of 10 CFR Section 73.71.

B. Reasonableness of the Schedule for Collecting Information

As proposed, written follow-up reports for one hour telephonic notifications must be submitted to the NRC within 30 days after the initial telephonic notification. Also for events of lesser significance a log is maintained that must be sent to the NRC every three months. The existing requirements include two classes of written reports which must be submitted to the NRC within 5 and 15 days depending on the event. Additionally, every event reported pursuant to Section 73.71 is currently recorded in a licensee log.

C. Method of Collecting the Information

Within one hour of learning of the event, the licensee is to telephonically report to the NRC Operations Center any theft or attempted theft of SSNM, any physical damage to a licensed facility, any interruption of normal operation of a licensed nuclear power reactor as a result of tampering, any unauthorized entries through a required barrier. The written follow-up reports are to be sent to the NRC Document Control Desk with a copy sent to the appropriate Regional Office, and if applicable to the appropriate NRC Resident Inspector. The safeguards event logs are to be sent to the NRC Document Control Desk with a copy sent to the appropriate NRC Resident Inspector, if applicable.

D. Record Retention Requirements

The licensee must maintain copies of reports or logs of safeguards events submitted under 73.71 for a period of three years after the report or log is made. The licensee must also submit copies of these reports or logs to the NRC. It is necessary for both the licensee and the NRC to maintain these copies for the following reasons. The licensee must maintain his copies to perform the yearly security audit required by 10 CFR 73.45(g)(6) for fuel facilities and 10 CFR 73.55(g)(4) for power reactors. This audit evaluates the effectiveness of the security system at these facilities. Also, in order to maintain the level of security deemed adequate by the NRC, the licensee must observe and analyze the operational aspects of their security systems. This can only be done through the maintenance and analysis of such records as those for security events. The NRC maintains copies of security event records to conduct analysis to determine generic or long-term trends in security. These analyses are used to improve safeguards regulations for these facilities.

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E. Reporting Period

Reports are to be submitted at irregular intervals as reportable events occur. Licensee logs are submitted to NRC every three months. The NRC requires copies of the licensee safeguards event logs to perform its analysis function as a regulatory agency. The NRC Division of Safeguards makes these analyses on roughly a three month period.

F. Copies to be Submitted

The safeguards reporting rule requires that the original reports be submitted to the NRC Document Control Desk with a copy sent to the appropriate Regional Office, and to the appropriate NRC Regional Inspector, if applicable. Copies of the safeguards event log are submitted to the NRC Document Control Desk and the appropriate Regional Inspector, if applicable.

3. Estimate of Burden

A. Source of Burden Data and Method of Estimating Burden

The following data is based upon a review of SG reports submitted, consultation with licensee staff, and projections from the proposed revisions to 73.71.

- 1) There are approximately 600 SG events annually.
- 2) Licensee staff presently use 1.5 hours per telephonic reports, 25 hours per written report and .5 hours per log entry.
- 3) It is projected, based upon the revisions to 73.71, licensee staff will use 1.5 hours per telephonic report, 40 hours per written report and 1.5 hours per log entry.
- 4) The proposed revisions to 73.71 will result in an 80% reduction in the number of telephonic and written reports by the licensee, and a 20% decrease in the number of log entries.

B. Comparative Break-out of Events by Reporting Requirement

- 1) Present 73.71
 - a) Part 73.71(a) establishes the requirements for the reporting of 1% of the events or approximately 6 reports, 6 log entries.
 - b) Part 73.71(b) establishes the requirement for the reporting of 25% of the events or 150 reports, 150 log entries.
 - c) Part 73.71(c) establishes the requirement for the reporting of 74% of the events or 444 reports, 444 log entries.
- 2) Proposed Revisions to 73.71
 - a) Part 73.71(a) reports required by this section will remain consistent with present reporting requirements.

b) Part 73.1(b), this section represents the consolidation of the present 73.71(b) and (c), thereby revising the reporting and eliminates the 24 hour telephonic, with written follow-up reporting burden to reduce the total burden by 80%.

c) Part 73.71(c) provides for the requirement for those telephonic and written reports deleted in 73.71(b) to be log entries.

C. Reporting Burden Proposed Revisions to 73.71

<u>Section</u>	<u>Number of Licensees</u>	<u>Number of Telephonic</u>	<u>Submittals Written Log</u>	<u>Licensee Staff Hours/Submittal</u>	<u>Total Annual Licensee Hours</u>	<u>Cost at \$60/Hour</u>	
73.71(a)(1)	126	6	-	-	1.5	9	540
73.71(a)(4)	126	-	6	-	40	240	14,400
73.71(a)(5)	126	-	-	-	-	-	-
73.71(b)(1)	126	114	-	-	1.5	171	10,260
73.71(b)(2)	126	-	114	-	40	4560	273,600
73.71(c)(1)	126	-	-	480	.5	<u>240</u>	<u>14,400</u>
Totals					5220		\$313,200

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D. Reduction in Reporting Requirement Savings to Licensees

Under the present requirements of 73.71 the reporting burden to the licensees is 16,190 hours annually. The proposed revisions to 73.71 would reduce the reporting burden to 5,220 hours annually. Based on the cost of \$60 per staff hour the proposed revisions will result in annual cost reductions to the licensees of \$658,200.00.

E. Reasonableness of Burden Estimates

The burden estimates were derived from consultation with licensee staff responsible for making safeguards reports and NRC staff experienced in documenting and analyzing reported safeguards events. The NRC staff believes that the revised safeguards reporting requirements will decrease the burden to the industry and the NRC.

4. Estimate of the Burden to the Federal Government

The burden to the government is associated with coding, tabulating, and assessing the generic implications of reported safeguards events. Presently the number of NRC staff hours devoted to analyzing these reports is 1200 staff hours per year. NRC staff hours required for the review of telephonic and written reports will be reduced by 420 hours annually based upon the number of telephonic and written reports received.