

**Supporting Statement
for the
Uranium Data Program
OMB Number 1905-0160**

Introduction:

A three-year clearance is requested for the Energy Information Administration (EIA) to modify and continue the use of Form EIA-851A “Domestic Uranium Production Report – Annual,” Form EIA-851Q “Domestic Uranium Production Report – Quarterly,” and the Form EIA-858 “Uranium Marketing Annual Survey” to conduct its Uranium Data Program (UDP) through 2009. These forms were previously cleared under the Uranium Data Program, OMB number 1905-0160, through 11/30/2006.

EIA proposed changes to the Form EIA-851A and Form EIA-858, which were published on May 1, 2006 in Federal Register Notice Vol. 71, No. 83. Public comments to the proposed changes and other items are summarized in Section 8 of this supporting statement.

EIA proposed slightly increasing the collection of details on Form EIA-851A related to four of the seven current data items: Facility Information; Milling and Processing; Feed Source; Mine Production; Employment; Drilling; and Expenditures. The annual burden associated with the collection of this additional detail would be increased by 1 hour for an estimated average 3 hours per response. Specifically, EIA proposes the additional detail of mine production by mine name, by type, by capacity, by State, and by owner; employment by State; by exploration drilling and by development drilling; and land, exploration, and reclamation expenditures. These details were not collected previously because of the small U.S. production industry, and this increase in burden is minimal.

EIA proposed collecting one new data price (*Average-Price per Separative Work Unit (SWU)*) on Form EIA-858 in Item 2: Enrichment Services Purchased by Owners and Operators of Civilian Nuclear Power Reactors. The annual burden would be increased by 1 hour for an estimated average 15 hours per response. An SWU is a measure of the amount of work (energy) that is required to separate raw uranium into two components - a valuable component (U235) and a waste component (U238). EIA already collects information on uranium price and quantities purchased. However, this provides only a partial picture of the market. EIA now proposes to collect average SWU price data from owners and operators of U.S. nuclear power reactors on an annual basis because this information is critical to understanding the overall dynamics and underlying fundamentals of the current nuclear fuels market and choices.

The information collection proposed in this supporting statement has been reviewed in light of applicable information quality guidelines. It has been determined that the information will be collected, maintained, and used in a manner consistent with the Office of Management and Budget (OMB), Department of Energy (DOE), and EIA information quality guidelines.

Justification:

1. Legal Authority

Authorization for collection of data on the three UDP surveys is set forth in the Federal Energy Administration Act of 1974, as amended, (FEA Act, Public Law 93-275). Mandatory collection of these data is authorized by Section 13(b) of the FEA Act of 1974, 15 U.S.C. 772(b), as follows:

All persons owning or operating facilities or business premises who are engaged in any phase of energy supply or major energy consumption shall make available to the (Secretary) such information and periodic reports, records, documents, and other data, relating to the purposes of this Act, including full identifications of all data and projections as to source, time, and methodology of development, as the (Secretary) may prescribe by regulation or order as necessary and appropriate for the proper exercise of functions under this Act.

The data submitted assist the Secretary in carrying out the functions and duties presented in Section 5(b) of the FEA Act, 15 U.S.C. Section 764(b), which states that the Administrator of the FEA (now the Secretary of the U.S. Department of Energy) shall:

(2) assess the adequacy of energy resources to meet demands in the immediate and longer range future for all sectors of the economy and for the general public;...

(9) collect, evaluate, assemble, and analyze energy information on reserves, production, demand, and related economic data;...

(12) perform such other functions as may be prescribed by law.

As the authority for invoking Section 5(b) above, Section 5(a) of the FEA Act of 1974, 15 U.S.C. Section 764(a) states:

Subject to the provisions and procedures set forth in this Act, the (Secretary) shall be responsible for such actions as are taken to assure that adequate provision is made to meet the energy needs of the Nation. To that end, he shall make such plans and direct and conduct such programs related to the production, conservation, use, control, distribution, rationing, and allocation of all forms of energy as are appropriate in connection with only those authorities or functions:

(1) specifically transferred to or vested in him by or pursuant to this Act;...

(3) otherwise specifically vested in the (Secretary) by Congress.

Authority for invoking Section 5(a) of the FEA Act is provided, in turn, by Section 52 of the Federal Energy Administration Act, 15 U.S.C. 790a, which states:

(a) It shall be the duty of the Director to establish a National Energy Information System (hereinafter referred to in this Act as the "System") ... (which) shall contain such information as is required to provide a description of and facilitate analysis of energy supply and consumption within and affecting the United States on the basis of such geographic areas and economic sectors as may be appropriate to meet the needs of

(1) the (Department of Energy) in carrying out its lawful functions; ...

(b) At a minimum, the System shall contain such energy information as is necessary to carry out the Administration's statistical and forecasting activities, and shall include, at the earliest date and to the maximum extent practical subject to the resources available ... , such energy information as is required to define and permit analysis of:

(1) the institutional structure of the energy supply system including patterns of ownership and control of mineral fuel and non mineral fuel resources and the production, distribution, and marketing of mineral fuels and electricity; ...

(3) the sensitivity of energy resource reserves, exploration, development, production, transportation, and consumption to economic factors, environmental constraints, technological improvements, and substitutability of alternate energy sources: ...

Additional authority for collection of uranium information on Form EIA-858 "Uranium Marketing Annual Survey," is provided through the Energy Policy Act of 1992 (EPACT 1992), Public Law 102-486. This law provides under Subtitle B, 42 U.S.C. § 2296b-4, Sec. 1015, that:

“... the owner or operator of any civilian nuclear power reactor shall report to the Secretary (of Energy), acting through the Administrator of the Energy Information Administration, for activities of the previous fiscal year—

(1) the country of origin and the seller of any uranium or enriched uranium purchased or imported into the United States either directly or indirectly by such owner or operator; and

(2) the country of origin and the seller of any enrichment services purchased by such owner or operator.”

2. Needs and Uses

The EIA's UDP collects basic data, which are required to meet the needs of DOE legislative mandates and those of the States, the industry, and the user community. Data obtained include, but are not limited to: selected annual data relating to aspects of uranium exploration, mining of mineral materials from the ground, uranium concentrate production and employment, inventories, actual and future uranium deliveries and requirements, actual and future enrichment-feed shipments, uranium used in fuel assemblies loaded into U.S. civilian nuclear power reactors, different uranium and contract types, contract transactions and prices of uranium, purchases of enrichment services (the standard measure is SWU), and Congressional required data relating to the country origins and sellers of uranium and enrichment services. The data collected on these surveys are unique. Although limited amounts of related or somewhat similar data might be available from other Federal agencies, sources in the industry, and private sources, those data collections are not reasonable alternatives for the data sets obtained through the Uranium Data Program surveys.

EIA-851Q (Quarterly)/EIA-851A (Annual), Domestic Uranium Production Report

The data collected on the EIA-851Q quarterly survey are used by the EIA to publish quarterly uranium concentrate production and facility operating status in EIA report *Domestic Uranium Production Report - Quarterly*.

The data collected on the EIA-851A annual survey will be used by the EIA to publish annual data in EIA reports *Domestic Uranium Production Report* and *Annual Energy Review*. Both are to answer inquiries and requests about these data from the Congress, Federal Government, States, the industry, and public data users.

Among the specific uses for the EIA-851A annual data are the following:

- o To continue historical trends of uranium exploration and development activities in the U.S. uranium industry including data on drilling and expenditures in the domestic industry;
- o To publish annual U.S. production of uranium concentrate from ore and/or solutions from different methods of mining, including underground, open pit, in-situ leaching, and other production sources;
- o To publish uranium production including quantities of U.S. mine production, uranium concentrate, processing facility capacities, uranium concentrate inventories and shipments, and status of production facilities;
- o To continue historical trends on employment in the raw materials sector of the U.S. uranium industry by State and category of work performed in exploration, mining, milling, processing and reclamation operations.

Form EIA-858, Uranium Marketing Annual Survey

The data collected on Form EIA-858 are used by the EIA to publish annual reports, to fulfill Congressional mandates under the Energy Policy Act of 1992 (Public Law 102-486), and to answer inquiries and requests about these data from the Congress, Federal Government, States, the domestic industry, and public data users. Form EIA-858 data are not collected for any other organization within the DOE.

Form EIA-858 data are published in aggregate form for general statistical uses and are the primary source of data on the U.S. uranium market. The EIA reports *Uranium Marketing Annual Report* and *Annual Energy Review* carry forward several important time series of data.

Among the specific uses of the EIA-858 data are the following:

- o To provide to Congress the origin countries and sellers of any uranium and enrichment services purchased or imported into the United States by owners or operators of any U.S. civilian nuclear power reactors;
- o To provide current and historical data trends on uranium marketing activities in the United States, including amounts and prices of uranium transactions, contract and material type, purchases of enrichment services (the standard measure is SWU), domestic or foreign purchase and sale, origins and destinations of enrichment feed deliveries, uranium loaded into U.S. civilian nuclear power reactors, and uranium inventories;
- o To provide future data trends on U.S. uranium market requirements, including contracted deliveries (filled requirements), unfilled market requirements, and projected enrichment feed deliveries.

The uses described above for the data collected on Forms EIA-851A/Q and Form EIA-858 assist the EIA and the DOE in fulfilling their legislative mandates and supplying up-to-date information about the U.S. uranium industry to policymakers and all data users.

3. Technical Considerations

The UDP survey instruments are designed to minimize respondent burden insofar as possible and still meet requirements for data from the DOE and the user community. In addition to the standard respondent identification information preprinted on Form EIA-851A, Form EIA-851Q, and Form EIA-858, information for selected data elements from each respondent's survey form for the prior year are also preprinted on each form to assist respondents in completing the surveys for the current year.

EIA developed and began a new Form EIA-858 Internet Data Collection (IDC) system in 2006. EIA plans to survey the Form EIA-851A and Form EIA-851Q respondents by

developing an IDC system and using this new system starting in 2007. Through this secure internet data collection technique, respondent burden will be further reduced and greater accuracy in data capture, validation, and processing achieved.

4. Efforts to Reduce Duplication and Inadequacies of Similar Data

EIA is one of two statistical agencies that collect and/or maintain uranium data in the Federal Government. The U.S. Geological Survey (USGS) collects information on nonfuel minerals and materials, and also maintains the National Geochemical Data Base, for hydrogeochemical and stream sediment analyses, based on the National Uranium Resource Evaluation.

Non-statistical agencies that collect uranium data in the Federal Government include:

- U.S. International Trade Commission (ITC): questionnaires collected data from the nuclear-fuel cycle industry pertaining to ITC's 5-year review investigation concerning uranium from Russia. These questionnaires were completed by uranium converters, enrichers, fabricators, importers, producers, and purchasers. In addition, they submitted copies of their completed Form EIA-858 for reporting years 2000-2005.
- U.S. Department of Commerce's Bureau of Industry and Security (BIS)
- The Nuclear Regulatory Commission (NRC)

In the private sector, some uranium consultants, vendors, and brokerage, investing, and trading firms collect data from the industry, and subsequently provide information on production, prices, supply, and demand frequently through their websites and subscription-based analytical reports. This information is similar to some of the data collected on Form EIA-851A, Form EIA-851Q, and Form EIA-858.

5. Burden Reduction for Small Businesses and Small Entities

Minimizing the burden to small businesses of responding to EIA surveys, which constitute a sizeable segment of the domestic uranium industry, is of primary concern to the EIA. Given the relatively small number of U.S. firms in the uranium industry, it is important that each firm participating in the industry, regardless of the firm's size, participate in the EIA's uranium industry surveys in order for the resulting statistical information to accurately represent the entire domestic industry.

Companies engaged in the domestic industry range in size from small firms which can participate in limited or full range of industry activities from land acquisition through exploration, drilling, mining, milling, processing, conversion, and U.S. market broker/traders; to large firms that own and operate U.S. nuclear power reactors, enrich uranium, and fabricate nuclear fuel assemblies. The UDP survey forms request data for

items that are normally recorded in maintaining any business. Of the data elements requested, little time will have to be spent by small companies in preparing their responses.

6. Results of Collecting Data Less Frequently

The Form EIA-851A and Form EIA-858 surveys collect U.S. uranium industry data annually. The Form EIA-851Q survey collects three months of domestic uranium production data each quarter of the year. Less frequent reporting would not enable EIA to meet its mandate of providing timely, reliable information on the U.S. uranium industry.

7. Special Considerations

There are no special circumstances which would require the UDP surveys to be conducted in a manner inconsistent with the guidelines in 5 C.F.R. 1320.6.

8. Summary of Consultations Outside the EIA

EIA filed a notice of request for comments in the Federal Register on May 1, 2006 (Vol. 71, No. 83, pages 25586-25587).

Form EIA-851A proposes the additional detail of mine production by mine name, by type, by capacity, by State, and by owner in Item 4; employment by State in Item 5; by exploration drilling and by development drilling in Item 6; and land, exploration, and reclamation expenditures in Item 7.

Form EIA-858 proposes collecting one new data price (*Average-Price per Separative Work Unit (SWU)*) in Item 2: Enrichment Services Purchased by Owners and Operators of Civilian Nuclear Power Reactors. The annual burden would be increased by 1 hour for an estimated average 15 hours per response. The term SWU is a measure of the amount of work (energy) that is required to separate raw uranium into two components -- a valuable component (U235) and a waste component (U238).

During the 60-day comment period (May 1-June 30, 2006), EIA did not receive any comments directly pertaining to the notice but did receive an email notification that a comment would be sent sometime in July. That late comment, the only one, was received by EIA on July 10, 2006 and it follows:

Comment:

Gary W. Fox
Executive Vice President
Uranium Services and Products

July 10, 2006

Mr. Douglas Bonnar
U.S. Department of Energy
EI-52 Forest Building
Washington, DC

Subject: Request for Comments on DOE/EIA Proposed Changes to Forms
EIA-851A Uranium Production Report (Annual)
EIA-858 – Uranium Marketing Annual Survey

Dear Mr. Bonnar:

AREVA Inc. appreciates the opportunity to comment on DOE/EIA's proposed changes to reports EIA-851A and EIA-858, as solicited in the May 1, 2006 Federal Register.

EIA-851A: AREVA considers information relative to mine a) name, b) type, c) capacity, d) state and e) owner to be publicly available information which we could provide to you in your survey. We could also provide you with data regarding employment by State and exploration and development drilling in terms of total number rigs operating. However, land, exploration and reclamation expenditures are confidential and AREVA will not support the collection of this data by DOE/EIA.

EIA-858: AREVA does not support DOE/EIA's collection or publication of additional data pertaining to Average Price per Separative Work Unit (SWU) in Item 2: Enrichment Services Purchased by Owners and Operators of Civilian Nuclear Power Reactors. The enrichment services market is quite competitive but, unlike the natural uranium market, there are only a few suppliers of enrichment services in the U.S. Therefore, even if collected, all SWU pricing data would need to be withheld to avoid disclosure of business proprietary information. AREVA therefore believes there is no additional utility gained in changing Form EIA-858 to collect SWU pricing data, and it would not be appropriate to report any SWU pricing information.

Please feel free to contact me if you have any questions or concerns regarding our comments.

Sincerely,

A handwritten signature in black ink that reads 'Gary W. Fox'.

Gary W. Fox

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EIA Response to the Comment:

In response to Areva's first comment "land, exploration and reclamation expenditures are confidential and AREVA will not support the collection of this data by DOE/EIA;" EIA's mandate is to "collect, evaluate, assemble, analyze, and disseminate data and information which is relevant to energy resource reserves, energy production, demand, and technology, and related economic and statistical information. EIA addresses confidentiality as part of its information collection plans. With regard to the information collected on the EIA-851A, EIA will treat the expenditures data as confidential in accordance with the Confidential Information Protection and Statistical Efficiency Act (CIPSEA) of 2002 (P.L. 107-347) and the information will be used solely for statistical purposes. EIA has successfully collected drilling expenditure, production expenditure, and "land and other" expenditure data for 2003 through 2005 from company respondents, including COGEMA Mining, Malapai Resources, and Pathfinder Mines who are now all part of AREVA. All EIA-851A respondent contacts were notified of the plans to collect the additional expenditures information and no other respondent commented on the proposal.

In response to Areva's second comment; Item 2 in Form EIA-858 would not be filled in by AREVA, a uranium and enrichment supplier (previously named COGEMA). Only U.S. nuclear power plant owners/operators are required to complete Item 2. In 2005, 26 U.S. nuclear power plant owners/operators purchased 11.4 million SWU of uranium enrichment services from five different sellers. Four sellers operate enrichment plants (CNEIC in China, COGEMA, Inc. in France, URENCO, Inc. in Germany/Netherlands/United Kingdom and USEC, Inc. in the United States) and the fifth seller is a U.S. trader of uranium and enrichment services. The number of suppliers for uranium enrichment is few worldwide, less than the number of uranium suppliers. Currently, there are plans to build two new uranium enrichment facilities in the United States (in Ohio and New Mexico), to replace the existing one owned by the U.S. government and operated by USEC, Inc. Spot-market prices of enrichment services are reported by four or five different sources in the nuclear fuel industry, but a federal energy statistic for the average price of enrichment service, in \$ per SWU, based on the 11 to 12 million SWU purchased each year for U.S. nuclear power plants is not available. After careful consideration, EIA has determined that it is important to begin collecting SWU price data on the Form EIA-858 to provide such a statistic and to produce a SWU price series for analysis and for use in consideration of any future U.S. enrichment plants. None of the company respondents, who would be providing their average SWU price on the Form EIA-858 commented on the proposal to collect this additional information.

9. Payments to Respondents

Respondents to Form EIA-851A, Form EIA-851Q, and Form EIA-858 receive no payments.

10. Provisions Regarding Confidentiality of Information

Except for the elements listed below as not confidential, all other information reported on the uranium survey Form EIA-851A, Form EIA-851Q, and Form EIA-858 will be treated as confidential in accordance with CIPSEA and the information will be used solely for statistical purposes.

The following elements reported on the uranium surveys will be treated as not confidential and will be publicly released in identifiable form for use in statistical and nonstatistical purposes. The items are being treated as not confidential because the information has been released in identifiable form for many years in the [Domestic Uranium Production Report – Quarterly](#), annual [Domestic Uranium Production Report](#), [Uranium Marketing Annual Report](#), and [Uranium Industry Annual](#) reports.

Form EIA-851A (Annual) and Form EIA-851Q (Quarterly):

Respondent and Contact Information:

- Company Name

Item 1: Facility Information

- Name
- County
- State
- Owner
- Rated Capacity
- Operating Status

Form EIA-858:

Respondent and Contact Information:

- Company Name

Item 1: Contract

- A. Other Party Name

Item 2, Enrichment Services Purchased by Owners and Operators of Civilian Nuclear Power Reactors

- B. Seller's Name

Instructions to the forms will include the following:

Form EIA-851A

The items RESPONDENT IDENTIFICATION NAME and all of ITEM 1: FACILITY INFORMATION on Form EIA-851A are NOT considered confidential and may be publicly released in identifiable form. In addition to the use of the information from these two data fields by EIA for statistical purposes, this information may also be used for any nonstatistical purposes such as administrative, regulatory, law enforcement, or adjudicatory purposes.

Form EIA-851Q

The items RESPONDENT IDENTIFICATION NAME and all of ITEM 1: FACILITY INFORMATION on Form EIA-851Q are NOT considered confidential and may be publicly released in identifiable form. In addition to the use of the information from these two data fields by EIA for statistical purposes, this information may also be used for any nonstatistical purposes such as administrative, regulatory, law enforcement, or adjudicatory purposes.

Form EIA-858

The items RESPONDENT IDENTIFICATION NAME and OTHER PARTY NAME (ITEM 1A), and SELLER'S NAME (ITEM 2B) on Form EIA-858 are NOT considered confidential and may be publicly released in identifiable form. In addition to the use of the information from these data fields by EIA for statistical purposes, this information may be used for any nonstatistical purposes such as administrative, regulatory, law enforcement, or adjudicatory purposes.

All other information you provide on Form EIA-851A/851Q/858 will be considered confidential and used for statistical purposes only. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your consent. By law, every EIA employee, as well as every agent, is subject to a jail term, a fine of up to \$250,000, or both if he or she discloses ANY identifiable information about you.

11. Justification for Sensitive Questions

There are no questions of a sensitive nature included on the UDP survey forms.

12. Estimated Reporting Burden

	<u>Form EIA-851A</u>	<u>Form EIA-851Q</u>	<u>Form EIA-858</u>
Number of Respondents:	55	10	66
Frequency of Response:	annually	quarterly	annually
Hours per Response:	3	0.75	15
Total Burden Hours:	165	30	990

The total burden for the surveys is 1,185 hours annually.

13. Estimate of Cost to Respondents

The EIA estimates that there are no additional costs to respondents associated with these surveys other than the costs associated with the burden hours as set forth in item 12 above. Costs of the burden hours to the respondent universe for completion of the Form EIA-851A, Form EIA-851Q, and Form EIA-858 are estimated below. The dollar values shown were derived using the standard formulas:

(Total burden hours)X(\$57 per hour)=(Total respondent burden cost in dollars)*

* An average cost per hour of \$57 is used because that is the average loaded (salary plus benefits) cost for an EIA employee. EIA assumes that the survey respondent workforce completing surveys for EIA is comparable to the EIA workforce.

and

(Total respondent burden, dollars)÷(Total number of respondents)=(Average cost per responding company).

Form EIA-851A: 165 X \$57 = \$9,405
and
\$9,405 ÷ 55 = \$171/respondent

Form EIA-851Q: 30 X \$57 = \$1,710
and
\$1,710 ÷ 10 = \$171/respondent

Form EIA-858: 990 X \$57 = \$56,430
and
\$56,430 ÷ 66 = \$855/respondent

The total cost to all respondents for these 3 surveys is \$67,545

14. Estimate of Costs to the Federal Government

The total cost for EIA's UDP is 1 Full-Time Equivalent (FTE) (\$123,000) and contracted IT support to develop, maintain, and enhance the internal & IDC systems for the Form EIA-851A, Form EIA-851Q, and Form EIA-858.

15. Changes in the Reporting Burden

Because of the increase in number of respondents and burden hours, the total for this ICR has increased from 1,044 hours in 2003 to 1,185 hours in 2006.

<u>Change from 2003 to 2006</u>	<u>Form EIA-851A</u>	<u>Form EIA-851Q</u>	<u>Form EIA-858</u>
Number of Respondents	+35	+2	-4
Hours per Response	+1	0	+1
Total Burden Hours	+125	+6	+10

The total burden hour increase is 141 hours annually. The change in the number of respondent burden (increase) is 20 hours and the program change (increase) due to agency discretion is 121 hours.

16. Plans for Tabulation and Publication

Data tabulation and publication (EIA website posting) of Form EIA-851Q data is scheduled 45 days after each quarter. The Forms EIA-851A and EIA-858 tabulated data are scheduled to be posted in April of each year.

	<u>Month posted on EIA website</u>
Form EIA-851A	April
Form EIA-851Q	February; May; August; November
Form EIA-858	April

17. Display of Expiration Date

All three survey forms will display the expiration date.

18. Exception to Certification

There are no exceptions to the certification.