

FINAL SUPPORTING STATEMENT
FOR
DOE/NRC FORM 742
"MATERIAL BALANCE REPORT"
AND NUREG/BR-0007, REVISION 7
"INSTRUCTIONS FOR THE PREPARATION AND DISTRIBUTION
OF MATERIAL STATUS REPORTS (DOE/NRC Forms 742)"
(3150-0004)

EXTENSION

Description of the Information Collection

U.S. Nuclear Regulatory Commission (NRC) regulations require each licensee who is authorized to possess at any one time and location special nuclear material (SNM) in a quantity totaling more than one gram of contained uranium-235, uranium-233, or plutonium, or any combination thereof, to prepare and submit reports concerning SNM received, produced, possessed, transferred, consumed, disposed of, or lost. Each NRC licensee who has been selected for the application of International Atomic Energy Agency (IAEA) safeguards under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 75 is required to complete and submit Department of Energy (DOE)/NRC Form 742, "Material Balance Report," within 30 days after the start of a physical inventory. In addition, each licensee, Federal or State, who is authorized to possess, at any one time or location, 1 kilogram of foreign obligated source material, is required to file with the NRC an annual statement of source material inventory which is foreign-obligated. The instructions for completing Form 742 are in NUREG/BR-0007, "Instructions for the Preparation and Distribution of Material Status Reports," Revision 7.

A. JUSTIFICATION

1. Need for and Practical Utility of the Information Collection

For the United States to fulfill its responsibilities as a participant in the U.S.-IAEA Safeguards Agreements and to satisfy various bilateral agreements for nuclear cooperation with other countries and its domestic safeguards responsibilities, it is necessary for licensees affected by 10 CFR Part 75 and related sections of Parts 30, 40, 50, 70, 74, and 150 to submit accounting reports. These reports are required to be submitted to the IAEA annually. The annual accounting reports for each IAEA material balance area must include material status reports based on a physical inventory of nuclear materials which are actually present.

Per 10 CFR 75.35, each licensee identified by the Agreement submit material status annual reports for each physical inventory taken as part of the material accounting and control procedures. A computer-readable DOE/NRC Form 742 is used for the collection of the information on the material balance of nuclear material.

2. Agency Use of Information

The NRC is required to collect nuclear material transaction information and make it available to the IAEA. The use of DOE/NRC Form 742, together with NUREG/BR-0007, Revision 7, the instructions for completing the form, enables NRC to collect, retrieve,

analyze as necessary, and submit the data to IAEA to fulfill its reporting responsibilities. Use of this computer-readable report form enhances NRC's ability to collect and provide this data. This information is needed to provide to the Australian, Canadian, and several other Governments a periodic report showing the inventory of all materials located at licensee facilities that is subject to their respective Bilateral Agreements; to satisfy the terms of the U.S.-IAEA Safeguards Agreements; and for the domestic inspection program.

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 Submittals application, which is available from the NRC's "Electronic Submittals" Web page, by Optical Storage Media (OSM) (e.g. CD-ROM, DVD), by facsimile or by e-mail. The Electronic Submittals application allows electronic transmission of information to the NRC pertaining to licensing actions, associated hearings, and other regulatory matters. The application ensures that information sent to the NRC via the Internet is secure and unaltered during transmission. It operates 24 hours a day, except when it is taken down for scheduled maintenance. The application serves as a secure portal that respondents may use to transmit documents to the NRC. It is estimated that approximately 95% of the responses are filed electronically.

Form 742 is a common form hosted by the NRC that is also used by the DOE. The NRC provides the form and instructions to all affected NRC 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). The use of common reporting forms minimizes 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. Currently DOE has no burden hours associated with the use of this form.

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. Further burden reductions for small businesses would prevent the NRC from fulfilling its international or domestic responsibilities.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

Affected licensees are required to submit reports annually. This schedule is reasonable because the submission will coincide with taking a physical inventory. The collection and recording of data for inventory purposes is a continuing process that the licensee carries out throughout the year for the licensee's internal records. This is required by 10 CFR Parts 74 (Section 74.13) and 75 (Sections 75.31, 75.32, 75.33, and 75.35). At the specified times for inventory reports, the licensee simply submits the accumulated data from the licensee's records, based either on book inventory or on data from a physical inventory, to NRC on DOE/NRC Form 742. The requirement to report within 60 days after completion of the inventory is a reasonable measure to ensure timeliness in receipt of inventory data by NRC to maintain material accountability under its statutory responsibility pursuant to the Atomic Energy Act to assure protection of the common defense and security. Moreover, the U.S.-IAEA Safeguards Agreements specifies that reports are to be submitted within 30 days following a physical inventory taking by licensees selected and reporting pursuant to 10 CFR Part 75.

If licensees are not required to submit these reports, NRC will not be able to maintain material accountability under its statutory responsibilities of the Atomic Energy Act.

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

Contrary to OMB guidelines in 5 CFR 1320.5(d), 10 CFR 75.35 requires submission of the report within 30 days or less. This requirement is necessary to satisfy the terms of the U.S.-IAEA Safeguards Agreements.

8. Consultations outside NRC

Opportunity for public comment on the information collection requirements for this clearance package was published in the Federal Register on April 29, 2020 (85 FR 23870). As part of the consultation process, the NRC staff directly contacted, via email, four fuel cycle licensees. No responses or comments were received as a result of the FRN or the NRC staff's direct solicitation of comment.

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). However, no information normally considered confidential or proprietary is requested.

11. Justification for Sensitive Questions

This information collection does not involve any sensitive questions.

12. Estimated of Annualized Burden and Burden Hour Cost

The annual burden for a licensee for the preparation and submission of DOE/NRC Form 742 data is estimated to take 3.5 hours. This estimate includes time for reading the instructions for completing DOE/NRC Form 742, NUREG/BR-0007, "Instructions for the Preparation and Distribution of Material Status Reports," Revision 7. It is estimated, based on NRC staff knowledge of the industry and submittals to NRC in recent years, that approximately 344 licensees submit DOE/NRC Form 742 data each year, resulting in a total of approximately 344 reports submitted annually. The burden of preparation and submission of each report is estimated to be 3.5 hours [taking the median or average value of 2 to 5 hours]. The total resulting burden for required submissions of the form by all licensees is 1,204 hours (344 reports x 3.5 hours/report).

The total annual cost to all respondents to comply with this requirement is estimated to be \$334,712 (1,204 hours x \$278/hour). Cost estimates are calculated at a rate of \$278 per hour, which is based on NRC's fee recovery rate.

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 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 are approximately \$1,900,000 per fiscal year. This is the NRC's contribution for the operations of the NMMSS to support the collection of Forms 740M, 741, 742 and 742C data, in addition to other data collections and operations.

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.

15. Reason for Change in Burden or Cost

There has been a decrease in the burden for this collection of 106 hours, from 1,310 to 1,204 hours. These decreases are due to lesser numbers of NRC licensees than previous years to fill out existing OMB approved forms related to nuclear material accounting information to fulfill the obligations of the U.S.-IAEA Safeguards Agreements. In particular, there were 809 licensees who were required to provide physical inventory data 4 years ago. Currently, the number of licensees who are required to provide physical inventory data is 514.

16. Publication for Statistical Use

None.

17. Reason for Not Displaying the Expiration Date

The expiration date is displayed on DOE/NRC Form 742.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Statistical methods are not used in this collection of information.