

FINAL SUPPORTING TATEMENT
FOR
DOE/NRC FORM 742
"MATERIAL BALANCE REPORT"
AND NUREG/BR-0007, REVISION 8
"INSTRUCTIONS FOR THE PREPARATION AND DISTRIBUTION
OF MATERIAL STATUS REPORTS (DOE/NRC Forms 742
and 742C)"

(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, Revision 8 "Instructions for the Preparation and Distribution of Material Status Reports."

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 40, 50, 70, 74, and 150 to submit accounting reports.

Per 10 CFR 75.35, each licensee identified by the Agreement shall submit annual material status 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. This information is used by the U.S. to meet its annual reporting obligations to the IAEA in accord with its Safeguards Agreements. 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.

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 8, 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 to satisfy domestic safeguards requirements.

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 98% 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 electronically. Once submitted by licensees, information from these forms is saved in the Nuclear Materials Management and Safeguards System (NMMSS). The use of common reporting forms minimizes the reporting burden on industry members required to provide regulatory 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), 75 (Sections 75.31, 75.32, 75.33, and 75.35), 150 (Section 150.17) and related sections of Part 40 (Section 40.64). 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 NMMSS 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 (section 75.35).

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 July 28, 2023 (88 FR 48922). Four licensees, representing special nuclear materials in the fuel cycle industry were contacted by phone and email to provide feedback about the information collection. These licensees are the most frequent reporters to NMMSS and possess the most reportable material. No comments or responses were received in responses to these consultations.

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 average 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, Revision 8 "Instructions for the Preparation and Distribution of Material Status Reports." It is estimated, based on NRC staff knowledge of the industry and submittals to NRC in recent years, that 327 licensees will submit DOE/NRC Form 742 data each year, resulting in 327 reports being submitted annually. The total resulting burden for required submissions of the form by all licensees is 1,145 hours (327 reports x 3.5 hours/report).

The total annual cost to all respondents to comply with this requirement is estimated to be \$331,905 (1,145 hours x \$290/hour). Cost estimates are calculated at a rate of \$290 per hour, which is based on NRC's fee recovery rate.

The \$290 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 2022 (87 FR 37214, June 22, 2022).

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 NMMSS. 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 59 hours, from 1,204 to 1,145 hours. These decreases are due to lesser numbers of NRC licensees than previous years filling out existing OMB approved forms related to nuclear material

accounting information to fulfill domestic material control and accounting regulations and safeguards. The number of respondents has decreased from 344 to approximately 327. This reduction is primarily attributable to a decrease in the number of licensees possessing reportable quantities of material within a material balance period. The cost per hour has increased from \$278 to \$290, based on an increase in the NRC's fee rate.

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.