

FINAL SUPPORTING STATEMENT
FOR
NRC 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 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) Part 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;
- c) Making safeguards regulatory decisions; and
- d) 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.

Enclosure

2. Agency Use of Information

The NRC uses the information to ensure that licensees are complying with 10 CFR Part 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

There are no legal obstacles to reducing the burden associated with this information collection. The NRC encourages respondents to use information technology when it would be beneficial to them. NRC issued a regulation on October 10, 2003 (68 FR 58791), consistent with Government Paperwork Elimination Act, which allows its licensees, vendors, applicants, and members of the public the option to make submissions electronically via CD-ROM, e-mail, special Web-based interface, or other means. It is estimated that approximately 60 percent of the potential responses are filed electronically. Most licensees send their forms by e-submittals, as described on NRC's website at <http://www.nrc.gov/site-help/e-submittals.html>, in addition to sending a hard copy in the mail, unless they are Category I, in which case they use classified mail.

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 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 22, 2016 (81 FR 65412). Six nuclear fuel cycle facilities that are required to submit the NRC Form 327 were contacted by email as part of the public consultation process. Feedback on this information collection was requested. No comments were 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). However, no information normally considered confidential or proprietary is requested.

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 9 reports per year (5 bimonthly reports plus one combined annual/bimonthly report for material in cascade, low-enriched uranium, natural uranium and depleted uranium).
- Two facilities that process high and low strategic SNM are required to conduct physical inventories at least every 6 months. Each facility has 2 semi-annual reports for high-enriched and 2 semi-annual reports for low-enriched uranium, thus resulting in 8 reports (2 facilities x 2 reports [high and low enriched uranium] x 2 reports annually).
- There is no current facility that processes SNM of moderate strategic significance since a former facility is now in decommissioning status (0 reports).

- There are three 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 9 reports (3 fabricators x 3 reports, for natural uranium, depleted uranium and low-enriched uranium annually).

Overall, there will be an estimated 26 inventory summary reports required each year (9 reports + 8 reports + 9 reports).

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 104 hours (26 reports x 4.0 hours/report). The total annual cost is approximately \$27,560 (104 hours x \$265 per hour).¹

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
(26 reports x 2 hours/report x \$265 per hour) = \$13,780

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

15. Reason for Change in Burden or Cost

The burden decreased by 36 hours, from 140 hours (35 reports x 4 hours per report) to 104 hours (26 reports x 4 hours per report), a decrease of 36 hours. This decrease is due to the fact that one enrichment plant ceased operations and 9 reports attributed to it are no longer provided.

In addition, the cost to industry for professional effort has decreased from \$274/hour to \$265/hour.

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.

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

There are no exceptions.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this collection of information.