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(2) Perform independent tests to assure the accurate identification and measurement of the material received, including its weight and enrichment; and

(3) Indicate the results of these tests on the receiver's portion of the form.

(c) Any licensee who is required to submit inventory change reports pursuant to § 75.34 of this chapter (pertaining to implementation of the US/International Atomic Energy Agency (IAEA) Safeguards Agreement) shall prepare and submit these reports only as provided in that section (instead of as provided in paragraphs (a) and (b) of this section).

[59 FR 35621, July 13, 1994, as amended at 68 FR 58821, Oct. 10, 2003]

§ 74.17 Special nuclear material physical inventory summary report.

(a) Each licensee subject to the requirements of §§ 74.31 or 74.33 of this part shall submit a completed Special Nuclear Material Physical Inventory Summary Report on NRC Form 327 not later than 60 calendar days from the start of each physical inventory required by §§ 74.31(c)(5) or 74.33(c)(4). Using an appropriate method listed in § 74.6, the licensee shall report the inventory results by plant and total facility to the Director of the NRC's Office of Nuclear Material Safety and Safeguards.

(b) Each licensee subject to the requirements of § 74.41(a) of this part shall submit a completed Special Nuclear Material Physical Inventory Summary Report on NRC form 327 not later than 60 calendar days from the start of each physical inventory required by § 74.43(c)(7). Using an appropriate method listed in § 74.6, the licensee shall report the inventory results by plant and total facility to the Director of the NRC's Office of Nuclear Material Safety and Safeguards.

(c) Each licensee subject to the requirements of § 74.51 shall submit a completed Special Nuclear Material Physical Inventory Summary Report on NRC form 327 not later than 45 calendar days from the start of each physical inventory required by § 74.59(f). The licensee shall report the physical inventory results by plant and total facility to the Director, Office of Nuclear

10 CFR Ch. I (1–1–06 Edition)

Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

[67 FR 78145, Dec. 23, 2002, as amended at 68 FR 58821, Oct. 10, 2003]

§ 74.19 Recordkeeping

(a) Licensees subject to the recordkeeping requirements of §§ 74.31, 74.33, 74.43, or 74.59 of this part are exempt from the requirements of paragraphs (a)(1) through (4) of this section. Otherwise:

(1) Each licensee shall keep records showing the receipt, inventory (including location and unique identity), acquisition, transfer, and disposal of all special nuclear material in its possession regardless of its origin or method of acquisition.

(2) Each record relating to material control or material accounting that is required by the regulations in this chapter or by license condition must be maintained and retained for the period specified by the appropriate regulation or license condition. If a retention period is not otherwise specified by regulation or license condition, the licensee shall retain the record until the Commission terminates the license that authorizes the activity that is subject to the recordkeeping requirement.

(3) Each record of receipt, acquisition, or physical inventory of special nuclear material that must be maintained pursuant to paragraph (a)(1) of this section must be retained as long as the licensee retains possession of the material and for 3 years following transfer or disposal of the material.

(4) Each record of transfer of special nuclear material to other persons must be retained by the licensee who transferred the material until the Commission terminates the license authorizing the licensee's possession of the material.

(b) Each licensee that is authorized to possess special nuclear material in a quantity exceeding one effective kilogram at any one time shall establish, maintain, and follow written material control and accounting procedures that are sufficient to enable the licensee to account for the special nuclear material in its possession under license. The licensee shall retain these procedures until the Commission terminates the

license that authorizes possession of the material and retain any superseded portion of the procedures for 3 years after the portion is superseded.

(c) Other than licensees subject to §§ 74.31, 74.33, 74.41, or 74.51, each licensee who is authorized to possess special nuclear material, at any one time and site location, in a quantity greater than 350 grams of contained uranium-235, uranium-233, or plutonium, or any combination thereof, shall conduct a physical inventory of all special nuclear material in its possession under license at intervals not to exceed 12 months. The results of these physical inventories need not be reported to the Commission, but the licensee shall retain the records associated with each physical inventory until the Commission terminates the license that authorized the possession of special nuclear material.

(d) Records that must be maintained pursuant to this part may be the original or a reproduced copy or a microform if the reproduced copy or microform is duly authenticated by authorized personnel and the microform is capable of producing a clear and legible copy after storage for the period specified by Commission regulations. The record may also be stored in electronic media with the capability for producing legible, accurate, and complete records during the required retention period. Records such as letters, drawings, or specifications must include all pertinent information such as stamps, initials, and signatures. The licensee shall maintain adequate safeguards against tampering with and loss of records.

[67 FR 78145, Dec. 23, 2002]

Subpart C—Special Nuclear Material of Low Strategic Significance

§ 74.31 Nuclear material control and accounting for special nuclear material of low strategic significance.

(a) *General performance objectives.* Each licensee who is authorized to possess and use more than one effective kilogram of special nuclear material of low strategic significance, excluding sealed sources, at any site or contig-

uous sites subject to control by the licensee, other than a production or utilization facility licensed pursuant to part 50 or 70 of this chapter, or operations involved in waste disposal, shall implement and maintain a Commission approved material control and accounting system that will achieve the following objectives:

- (1) Confirm the presence of special nuclear material;
- (2) Resolve indications of missing material; and
- (3) Aid in the investigation and recovery of missing material.

(b) *Implementation.* Each applicant for a license, and each licensee that, upon application for modification of its license, would become newly subject to the performance objectives of paragraph (a) of this section, shall submit a fundamental nuclear material control (FNMC) plan describing how the requirements of paragraph (c) of this section will be met. The FNMC plan shall be implemented when a license is issued or modified to authorize the activities being addressed in paragraph (a) of this section, or by the date specified in a license condition.

(c) *System capabilities.* To meet the general performance objectives of paragraph (a) of this section, the material control and accounting system must include the capabilities described in paragraph (c) (1) through (8) of this section. The licensee shall:

- (1) Establish, document, and maintain a management structure which assures clear overall responsibility for material control and accounting functions, independence from production responsibilities, separation of key responsibilities, and adequate review and use of critical material control and accounting procedures;
- (2) Establish and maintain a measurement system which assures that all quantities in the material accounting records are based on measured values;
- (3) Follow a measurement control program which assures that measurement bias is estimated and significant biases are eliminated from inventory difference values of record;
- (4) In each inventory period, control total material control and accounting measurement uncertainty so that twice its standard error is less than the