

DIRECTIVES CONTROL FORM - ORO FINAL DIRECTIVE

PART A (To be completed by the Division of Primary Interest (DPI))

1. NUMBER AND TITLE OF DIRECTIVE: **ORO O 470, Chapter IX, Change 2, CONTROL AND ACCOUNTABILITY OF NUCLEAR MATERIALS**

2. PURPOSE OF TRANSMITTAL: New Directive Revised Directive

3. THIS DOCUMENT MAY AFFECT THE WORK PERFORMED BY THE FOLLOWING CONTRACTORS:

(Check appropriate boxes)

No (all contractors)

Yes If yes, whom? Bechtel Jacobs Co. BWXT Y-12 ORAU UT-Battelle SURA

Other contractors (list by type): BNFL; and MCL, Inc.

Many ORO contractors have approved S/RIDs or WSS sets that may affect applicability of contractor requirements from this directive. Applicability of contractor requirements must take into account the approved standards set for each particular contract.

4. SIGNIFICANT PROVISIONS: Are there any significant changes or impact?

No Yes If yes, describe: Changes to this chapter include editorial revisions to (1) indicate the correct number of the correlating DOE Order (DOE O 474.1A) and the numbers of the referenced directives (DOE O 470.1, DOE M 474.1-1A, and DOE M 474.1-2, Change 2); (2) update the current organizational title of the ORO Office of Safeguards and Security, Materials Control and Accountability Team Leader; (3) add references; (4) update requirements and procedures in the attachments; and (5) addition of new paragraph 7a(1)(c).

5. CONTACT POINT: Harvey Heckman Materials Control and Accountability Team, OS-205 576-2505
Name Organization Telephone

PART B (To be completed by the Directives Management Group (DMG)):

6. FILING INSTRUCTIONS:

<u>Remove</u>	<u>Dated</u>	<u>Insert</u>	<u>Dated</u>
ORO Control Form	05/10/1999	ORO Control Form	08/28/2002
ORO O 470, Chapter IX, Chg. 1, Pages IX-1 thru IX-19	05/10/1999	ORO O 470, Chapter IX, Chg. 2, Pages IX-1 thru IX-20	08/28/2002

ORO Directives are available on the ORO Directives Management Home Page at http://www.ornl.gov/doe_oro_dmg/oro_dir.htm. The ORO Directives will no longer be mailed in printed copy unless you do not have Internet capabilities.

7. APPROVED FOR DISTRIBUTION IN ACCORDANCE WITH THE OFFICIAL DIRECTIVES DISTRIBUTION LIST:

Original Signed By
Wayne H. Albaugh 08/28/2002
Signature: DMG Team Leader, AD-440 Date

INSTRUCTIONS TO ADDRESSEES: THIS FORM IS TO BE FILED WITH THE DIRECTIVE AND RETAINED

U.S. Department of Energy

Oak Ridge Operations

ORDER

ORO O 470
Chapter IX
Change 2

DATE: 08/28/2002

SUBJECT: CONTROL AND ACCOUNTABILITY OF NUCLEAR MATERIALS

1. PURPOSE. This chapter correlates to DOE O 474.1A, CONTROL AND ACCOUNTABILITY OF NUCLEAR MATERIALS, dated November 20, 2000, by assigning responsibility and accountability and providing administrative and/or contractual guidance to Oak Ridge Operations (ORO) and its contractors. Nothing in this issuance changes any requirements contained in any Department of Energy (DOE) directive.
2. CANCELLATION. This chapter cancels and replaces ORO O 470, Chapter IX, Change 1, CONTROL AND ACCOUNTABILITY OF NUCLEAR MATERIALS, dated May 10, 1999.
3. APPLICABILITY. The provisions of this chapter apply to ORO Principal Staff and contractors and subcontractors, to the extent set forth in their contract, on a facility-specific basis, that have responsibility for nuclear materials at facilities owned by or leased to DOE or that have responsibility for DOE-owned nuclear materials at offsite facilities which are exempt from the Nuclear Regulatory Commission licensing and regulation.
4. RESPONSIBILITIES. Many ORO contractors have developed Standards/Requirements Identification Documents (S/RIDs) or Work Smart Standards (WSS) sets that may not include requirements referenced or included in DOE O 474.1A or this chapter. Interpretation and performance of Federal responsibilities outlined below must take into account the approved standards set or contract for each particular contractor and must not be deemed to add any requirement to the approved set or contract.
 - a. Team Leader, Materials Control and Accountability (MC&A), Office of Safeguards and Security, (OS-205).
 - (1) Performs those tasks identified in DOE O 474.1A, subparagraphs 5f(1)(a)-(b), (4), (5), and (9).
 - (2) Examines nuclear material storage reconfiguration plans to determine accessibility of the material for performance of MC&A requirements.
 - (3) Maintains follow-up on all MC&A findings disclosed by ORO Office of Safeguards and Security (OSS) surveys and Headquarters (HQ) security evaluations and validates corrective actions prior to closure of findings.

- (4) Requires that an annual facility-specific self-assessment plan be submitted by ORO facilities and monitors the adequacy of reports issued on assessments conducted.
 - (5) Evaluates the adequacy of MC&A provisions in all agreements between HQ and ORO.
 - (6) Notifies ORO program managers and the Manager of anomalous conditions identified in the review of material control indicators and recommends corrective actions.
 - (7) Coordinates the MC&A activities associated with modification of existing or establishment of new operations in nuclear materials. Advises ORO organizations on the MC&A aspects of inspections by the International Atomic Energy Agency (IAEA).
 - (8) Performs specific international tracking activities as delegated by the Office of Nonproliferation Policy (NA-242).
 - (9) Provides guidance to the Contracting Officer's Representatives (COR), as necessary, relating to documentation of transactions and other data into the Nuclear Materials Management and Safeguards System (NMMSS).
- b. Director, Procurement and Contracts Division, in consultation with subject matter experts, ensures implementation of the requirements of DOE O 474.1A in new and existing contracts for ORO facilities.
 - c. Contracting Officer's Representatives (COR).
 - (1) Perform those tasks identified in DOE O 474.1A, subparagraphs 5f(1)(c)-(f); 5f(3), (6), and (8); and 5g.
 - (2) Ensure that facility commitments to discharge MC&A requirements are executed and included in evaluation of contractor performance.
5. REQUIREMENTS AND PROCEDURES. Detailed requirements for implementing an MC&A program covered by DOE O 474.1A are provided in associated manuals, DOE M 474.1-1A and DOE M 474.1-2, Change 2. Procedures are outlined in Attachments 2 through 4 of this chapter.
6. REFERENCES.
- a. DOE O 470.1, SAFEGUARDS AND SECURITY PROGRAM, dated September 28, 1995.
 - b. DOE M 474.1-1A, MANUAL FOR CONTROL AND ACCOUNTABILITY OF NUCLEAR MATERIALS, dated November 22, 2000.
 - c. DOE M 474.1-2, Change 2, MANUAL FOR NUCLEAR MATERIALS MANAGEMENT AND SAFEGUARDS SYSTEM REPORTING AND DATA SUBMISSION, dated November 16, 1998.
 - d. Memorandum, from G. Leah Dever to Pedro S. Garcia, titled "*Delegation of Authority for Responsibilities Assigned to the ORO Manager under DOE Order 474.1A, 'Control And Accountability of Nuclear Materials,'*" dated May 14, 2001, which delegates to the ORO/OSS

MC&A Team Leader the authority to act in the ORO Manager's behalf relative to responsibilities assigned to the Manager under the Order.

- e. Memorandum, from Pedro S. Garcia to Distribution, titled, "*Implementing Instructions for Incidents of Security Concern Inquiry and Infraction Reporting*," dated September 18, 2001.
7. DEFINITIONS. None.
 8. CONTRACTOR REQUIREMENTS DOCUMENT. See Contractor Requirements Document, Attachment 1 of this chapter.
 9. ATTACHMENTS.
 - a. Attachment 1 - Contractor Requirements Document.
 - b. Attachment 2 - Program Administration.
 - c. Attachment 3 - Materials Accountability.
 - d. Attachment 4 - Materials Control.

CONTRACTOR REQUIREMENTS DOCUMENT

Contractors that are identified in paragraph 3 of this chapter shall accomplish the following, to the extent set forth in their contracts:

- For each facility, develop an MC&A program consistent with the requirements of DOE O 474.1A and the provisions of this chapter.

PROGRAM ADMINISTRATION

NOTE: DOE M 474.1-1A, Chapter I, contains detailed requirements for MC&A program administration requirements delineated in DOE O 474.1A, subparagraph 4.a.

1. General. Each facility's initial MC&A Plan and any subsequent MC&A Plan modification that alters the MC&A program shall be forwarded to the cognizant COR and the OSS for review and approval. The OSS MC&A Team, will coordinate the ORO review and approval process. The MC&A Plan must contain the following signatures of approval: (1) the facility nuclear MC&A manager; (2) the facility manager or designated alternate; (3) the OSS MC&A Team Leader; and (4) the cognizant COR.

The facility MC&A Plan shall delineate the process governing review, revision, and change control for the Plan and procedures for its implementation, including interim revisions (i.e., page changes). A minimum review frequency of 2 years for the Plan and implementing procedures is recommended. The MC&A Team must approve review frequencies longer than 2 years.

The MC&A Team shall be notified immediately of any change in the facility's MC&A program that would decrease the control and accountability requirements identified in the MC&A Plan.

It is recommended that, to the maximum extent practical, the facility MC&A Plan be organized such that it corresponds to DOE M 474.1-1A, section by section, in order to facilitate its review and use. Components described in Figure 1-1 of this attachment shall be included in the facility MC&A Plan.

The scope and content of the MC&A Plan for Category III and IV facilities shall be the same as for Category I and II facilities except as specifically authorized by the MC&A Team.

The MC&A Team shall be notified when it is determined that the proposed removal of Attractiveness Level D or higher Special Nuclear Material (SNM) from the facility's inventory would create a significant vulnerability. The facility shall not discard the material in question until an assessment is made and appropriate safeguards measures are implemented. For Attractiveness Level D or higher SNM that has been previously removed from the facility's inventory and for which a significant vulnerability exists, the MC&A Team shall be given written notification within 5 working days from when it is first determined that the previous discard(s) created a significant vulnerability.

2. Graded Safeguards. A graded MC&A program shall be established consistent with the requirements of this chapter and DOE O 474.1A. In keeping with the graded safeguards concept, ORO facilities may operate under varying safeguards requirements due to different material types, forms, quantities and flows. Requests for deviation from specific requirements of this chapter and DOE O 474.1A shall be submitted to the cognizant COR and MC&A Team for review and approval in accordance with DOE O 470.1. The MC&A Team will coordinate required DOE reviews and concurrences and, when alternative measures are deemed appropriate, will recommend approval to the cognizant COR.

3. Materials Control and Accountability Requirements for Tritium.

Because tritium has strategic importance, graded safeguards programs for tritium are required in accordance with the requirements of DOE M 474.1-1A, Chapter I, subparagraph 3b. The contractor shall prepare special procedures at facilities having tritium and forward them to the MC&A Team for review.

4. Loss Detection Element Evaluation.

- a. Vulnerability Assessment (VA). Prior to development of detailed VAs, which identify and evaluate the capability for detection of a loss of a Category I quantity of SNM and are required for the preparation of the Site Safeguards and Security Plan (SSSP), the contractor shall develop a plan for the assessment and forward it to the MC&A Team for approval.
- b. Performance Testing. The results of performance testing done to satisfy the requirements of DOE M 474.1-1A, Chapter I, subparagraph 4c, may be used to satisfy the requirements of DOE M 474.1-1A, Chapter I, subparagraph 4b, if such tests can be designed to meet the requirements of both subparagraphs.
- c. Materials Control and Accountability Performance Requirements.
 - (1) The contractor shall notify the MC&A Team of each performance test failure that indicates a significant vulnerability, SNM at risk, or a systemic MC&A program weakness. Criteria for determining significance and requirement for notification of the MC&A Team shall be included in the facility performance testing program (PTP) plan. Notification of significant performance test failures shall be made to the MC&A Team as soon as practical following contractor evaluation of test results, and prior to the issuance of test reports.
 - (2) An annual plan for the number of performance tests and the topics to be covered shall be prepared by the contractor and submitted to the MC&A Team by August 15 for the next fiscal year. The contractor shall advise the MC&A Team of any changes to the PTP plan which materially alter the scope and/or schedule of the plan as such changes occur. Other changes may be reflected in periodic status reports issued to the MC&A Team. The annual PTP plan shall be approved by the MC&A Team and documented in the facility's MC&A Plan.
 - (3) The contractor shall submit periodic status reports to the MC&A Team. Status reports shall indicate progress of the facility's PTP (actual versus plan) and reflect any changes in the PTP plan scope/schedule since the previous status report. The MC&A Team will review and concur in the status report frequency and content.
 - (4) A copy of each report on a performance test during which a failure occurred shall be provided to the MC&A Team. Submittal of all other test reports to the MC&A Team is not required.

- (5) In order to enhance MC&A program efficiency, contractors are encouraged to conduct performance tests in conjunction with the facility assessment program activities to the maximum extent practical.
5. Incident Inquiries and Reporting. Each facility's MC&A procedures shall contain provisions covering incident inquiries, reporting procedures, and requirements, as described in DOE M 474.1-1A, Chapter I, paragraph 5, and modified by ORO *Implementing Instructions for Incidents of Security Concern Inquiry and Infraction Reporting*. (See Reference 6e, page IX-3 of this chapter)
- a. The facility internal notification and reporting system procedures shall include notification to the MC&A Team of each reportable inventory difference and shipper/receiver difference. If possible, this notification shall be made before the initial incident report (DOE F 471.1, *Security Incident Notification Report*) is filed. In addition, the procedures shall require that a copy of each incident report be forwarded to the MC&A Team within two days after issuance. This requirement pertains to initial incident reports and to monthly incident status reports and final inquiry reports.
 - b. When pertinent data, such as action limits, inventory differences, or shipper/receiver differences are not included with the initial incident report, the contractor shall provide that data by separate transmittal to the MC&A Team.
 - c. Information documenting that routine monitoring of MC&A loss detection elements was performed shall be retained by the contractor for one year, or until the next ORO/OSS survey of MC&A is conducted at the facility, whichever is longer. Information documenting impact measurement index (IMI) category IMI-1, IMI-2, and IMI-3 incidents shall be permanently retained.
 - d. The MC&A Team will, as subject matter experts, assist the ORO Classified Matter Protection and Control Operations Manager (CMPCOM)/Inquiry Official in the conduct of inquiries involving MC&A
6. Administrative Controls.
- a. The facility program for periodic assessments and reviews shall contain the following procedures:
 - (1) An annual plan for the number of assessments and the topics to be covered shall be prepared by the contractor and submitted to the MC&A Team by August 15 for the next fiscal year. The contractor shall advise the MC&A Team of any changes to the annual assessment plan which materially alter the scope and/or schedule of the plan as such changes occur. Other changes may be reflected in periodic status reports issued to the MC&A Team. The annual assessment plan shall be approved by the MC&A Team and documented in the facility's MC&A Plan.

- (2) The contractor shall submit periodic status reports to the MC&A Team. Status reports shall indicate progress of the facility's assessment program (actual versus plan) and reflect any changes in the annual assessment plan scope/schedule since the previous status report. The MC&A Team will review and concur in the status report frequency and content.
 - (3) A copy of each report on an assessment or review during which a discrepancy was cited that remains uncorrected at the time the report is issued shall be provided to the MC&A Team. Submittal of all other reports on assessments and reviews to the MC&A Team is not required.
 - (4) An independent audit of the facility's MC&A function shall be conducted in accordance with the requirements of DOE M 474.1-1A, Chapter I, subparagraph 6. The audit schedule shall be approved by the MC&A Team and documented in the facility's MC&A Plan.
- b. The contractor shall update by April 1 of each year its historical accountability report for activity through the end of the previous fiscal year and forward it to the MC&A Team. The report shall contain yearly data on throughput, inventory differences, operating losses, and other book adjustments, along with a narrative explaining the data.

**FIGURE 1-1
ADDITIONAL MC&A PLAN COMPONENTS**

The following components, as applicable, shall be included in the facility MC&A Plan:

1. A copy of each DOE letter or memorandum, specific to the facility's activities, that clarifies requirements or grants a deviation from the requirements of this chapter or DOE O 474.1A.
 - *2. Vulnerability assessments on which the MC&A program is based.
 - *3. Procedure manuals used in the material balance areas for performance of MC&A requirements, emergency plans, and security directives that promote understanding of the overall MC&A program.
 - *4. Description of safeguards measures implemented for Attractiveness Level D or higher SNM that has been removed from inventory as waste and for which a significant vulnerability exists.
 - *5. Security procedures being used as alternates for MC&A procedures required by DOE M 474.1-1A, Chapter III.
 - *6. Documentation that contains MC&A Team approval of facility-specific limits beyond which a response plan for evaluating and resolving waste discharges is required (see DOE M 474.1-1A, Chapter III, subparagraph 5c(2)).
- * Inclusion in the MC&A Plan by reference is required; however, actual inclusion of document in the MC&A Plan is at the contractor's option.

MATERIALS ACCOUNTABILITY

NOTE: DOE M 474.1-1A, Chapter II, contains detailed requirements for MC&A program materials accountability requirements delineated in DOE O 474.1A, subparagraphs 4b(1)-(5). Specific instructions for NMMSS reporting requirements delineated in DOE O 474.1A, subparagraph 4b(6), are contained in DOE M 474.1-2.

1. General. The provisions of DOE M 474.1-1A, Chapter II, generally apply to all categories of material balance areas (MBAs). Limitations to general applicability are specifically expressed. Facility-specific deviations may also limit applicability. All such deviations shall be formally approved and incorporated into the facility MC&A Plan and SSSP.
2. Accounting Systems. The contractor shall prepare and maintain documentation to provide evidence of conformance with the Generally Accepted Accounting Principles of the Financial Accounting Standards Board.
3. Inventories.
 - a. Physical Inventories.
 - (1) Physical Inventories. Inventory values shall be based on measured values, including measurements or technically justifiable estimate of holdup, unless an alternative inventory method is approved. Proposed alternative inventory methods shall be submitted to the cognizant COR and MC&A Team for review and approval in accordance with DOE O 470.1. For material which is inaccessible for measurement by sampling during processing or recovery operations, the process monitoring parameters, material control procedures, measurements or specific action criteria for tracking materials in process, will be approved by the MC&A Team.
 - (2) Conduct of Inventories. Statistical sampling plans prepared by the contractor for verification of the presence of items shall be forwarded to the MC&A Team for approval.
 - (3) Physical Inventory Frequencies. Inventory frequencies are facility specific and will be approved by the MC&A Team Leader. Any proposed reduction of the minimum physical inventory frequency requirements stated in DOE M 474.1-1A shall require approval in accordance with DOE O 470.1.
 - b. Special Inventories. External requests for special inventories shall be forwarded to the MC&A Team for approval. This requirement does not apply to activities conducted during ORO/OSS surveys or DOE Office of Security Evaluations (OSE) reviews, which are part of system performance tests.
 - c. Inventory Verification/Confirmation Measurements.
 - (1) Statistical sampling plans and quantity thresholds for inventory verification/confirmation measurements will be approved by the MC&A Team.

- (2) The control limits for inventory confirmation/verification measurements for Category I and II items will be reviewed and approved by the MC&A Team.
4. Measurements and Measurement Control. The contractor shall strive to optimize the accuracy and precision of its measurement of nuclear materials. Use of external measurements and measurement control expertise in pursuit of improvement is encouraged. The scope and content of the measurements and measurement control programs for Category I and II facilities are defined in DOE M 474.1-1A, Chapter II, subparagraphs 4a through 4e. The scope and content for Category III and IV facilities will be approved by the MC&A Team.
5. Material Transfers.
 - a. External Transfers.
 - (1) Prior to transfer, written verification shall be obtained that the intended receiver is authorized to accept the material, and shall be retained until all transfers are complete. Required verification may be in the form of the intended receiver's written acknowledgement/acceptance of shipper's request to transfer the material.
 - (2) When "safeguards closure" is applied to a transaction, in accordance with DOE M 474.1-1A, Chapter II, subparagraph 5a(4)(e), records of transfer checks shall be retained until the next ORO/OSS survey of MC&A is conducted at the facility following final closure of the transaction.
 - (3) Measurement Requirements for External Transfers of Nuclear Materials.
 - (a) The requirement for measured values for Category III and IV quantities will be made by the MC&A Team and be included in the facility MC&A Plan upon its reissuance. Requests to permit material to be put into process prior to completion of the required accountability measurement shall be submitted by the contractor to the MC&A Team. Designation of materials on which receiver verification cannot be performed without destroying the item, such as weapons assemblies or subassemblies, and certain reactor fuel elements, shall be approved by the MC&A Team and included in the facility MC&A Plan.
 - (b) When the receiver's accountability measurement performed subsequent to a safeguards closure indicates a significant shipper/receiver difference as described in DOE M 474.1-1A, Chapter II, subparagraph 6a(1)(b), the MC&A Team shall be notified with necessary documentation to permit initiation of a resolution process with the shipping partner's operations office.
 - (c) Shipper-receiver agreements shall be prepared by the responsible facility and MC&A managers and by contractor and program managers. The agreements shall be forwarded to the MC&A Team for coordination and approval.

- (d) When limited processing of "difficult-to-measure" material is necessary to perform a receipt measurement and no shipper/receiver agreement covering the material exists, the MC&A Team shall be notified. The MC&A Team will obtain the approval of the shipper's operations office and concurrence of SO-11.
 - b. Internal Transfers. The MC&A Team shall be notified if any abnormal situation is detected in evaluating internal transfers.
6. Material Control Indicators.
- a. Shipper/Receiver Difference Assessment.
 - (1) The contractor, unless specifically excluded in writing by the MC&A Team, shall provide a copy of a quarterly summary report on analyses of shipper/receiver trend data to the cognizant COR and MC&A Team. This requirement applies to standard, measured flows suitable to trend analysis. The quarterly report shall be submitted within 60 days after each calendar quarter.
 - (2) The MC&A Team shall be notified if there is a question about the validity of the shipping partner's limit of error calculations.
 - (3) The MC&A Team shall be notified of any shipper/receiver differences resulting from a discrepancy in the number of items.
 - (4) To resolve statistically significant shipper/receiver differences, the MC&A Team will coordinate with the corresponding government organization (operations office, NRC, etc.) regarding the validity of the measurements and limits of error.
 - (5) When there is a significant unresolved shipper/receiver difference, the material shall not be processed unless approved by the MC&A Team.
 - b. Inventory Difference Evaluation.
 - (1) The contractor shall provide the cognizant COR and MC&A Team a summary report on evaluations of facility inventory difference data. Reports shall include SNM (including tritium) and cascade uranium. The summary report shall include the following:
 - (a) Certified Material Balance Report, NMMSS Report M-742, for the current reporting period and fiscal year-to-date information.

For each facility, the contractor shall review Material Balance Reports generated by the NMMSS. The facility representative shall note changes required, certify the reports are correct as noted, and submit data reflecting any changes to the NMMSS, with a copy of the certified report forwarded to the MC&A Team.

Reporting frequencies for ORO facilities are as follows:

<u>Facility</u>	<u>RIS Code*</u>	<u>Frequency</u>
BNFL	FDD	Semiannually
BWX Technologies	FCW	Semiannually
ETTP	FZE	Semiannually
MCL	FCC	Semiannually
ORISE	FBF	Semiannually
ORNL (UT-Battelle)	FZG	Bimonthly
ORNL (Bechtel Jacobs)	FZK	Semiannually
Paducah	FYC	Bimonthly
Portsmouth	FXA	Bimonthly
Y-12	FZJ	Semiannually

*Primary Reporting Identification Symbol (RIS) Code for facility to which the indicated reporting frequency applies.

- (b) For inventory differences by Category I and II MBAs, the following data presentations shall be included, unless specifically excluded in writing by the MC&A Team:
- 1 Tables showing element and isotope differences for each regular inventory for the past 24 inventory periods, and (2) chart showing isotope differences for each regular inventory for the past 24 inventory periods. The chart shall also depict warning and alarm limits.

NOTE: The report shall be submitted to the MC&A Team within 45 calendar days after closure of the reporting period. For those reporting periods in which NMMSS is late in closing out, the 45 days shall be extended by the number of days that NMMSS is late in closing.

- (2) Statistically valid techniques to derive inventory difference control limits, other than variance propagation, may only be used if justified on the basis of factors such as limited data, low transfer rates, material categories, or other process variations and approved by the MC&A Team.
- c. Evaluation of Other Inventory Adjustments (and Explanations).
- (1) The contractor shall provide a facility control data sheet reporting summary explanations on inventory data adjustments to the MC&A Team and cognizant COR. These data sheets are required on SNM (including tritium) and cascade uranium for reporting periods in which there is activity in lines 74 (Normal Operating Losses), 75 (Accidental Losses), 76 (Approved Write-Offs), or 77 (Inventory Differences) of the Material Balance Report.

High-enriched and low-enriched uranium data shall be reported separately. Also, explanations for non-routine losses or discards, including Attractiveness Level D or higher SNM that has been removed from inventory as waste, shall be provided as an attachment to the control data sheet. These facility control data sheets, when required, shall be included with the inventory difference evaluation reports when they are submitted for the facility reporting period. An example of the facility control data sheet is included as Figure 2-1 of this attachment.

- (2) The contractors shall report radioactive decay on the Material Balance Report to the NMMSS on a quarterly basis for reportable quantities.

NOTE: As required, the MC&A Team will coordinate periodic meetings with facility contractors to discuss actions resulting from evaluations of material control indicators.

7. Documentation and Reporting.

a. Nuclear Material Transaction Report.

Contractors shall have internal controls in place at the facilities to ensure the data transcribed to the data processing forms submitted to the NMMSS agree with the data reported on the source documents (e.g., DOE/NRC Form 741).

Implementing instructions specific to certain problem areas follow:

(1) Shipments/Receipts.

- (a) Transactions Involving International Accounts. To the extent receiver's data is provided by a foreign recipient, it shall be entered into the NMMSS by the domestic shipper.

Closure of Foreign Transfers. For shipments of Category I and II nuclear materials to a foreign entity, the shipper must obtain the required documentation to effect closure as described in DOE M 474.1-2. For shipments of Category III or IV nuclear materials, the shipper may effect closure based on the following:

- 1 When a DOE/NRC Form 741 has been received from a foreign entity, it must be properly endorsed by the appropriate official(s) from within the foreign entity to which the material was shipped.
- 2 For shipments of nuclear material being donated to foreign countries and for shipments of asterisk quantities, the shipping facility shall close the receiver's side of the transaction by submitting the receiver's data to NMMSS at the same time the shipper's data is submitted to NMMSS.

- 3 For shipments of nuclear material to foreign countries for which payment has been received in advance and for which no inquiries or receipted documents (DOE/NRC Form 741) have been received within 90 days following shipment, the shipper shall close the receiver's side of the transaction.
- 4 For shipments of nuclear material to foreign countries for which payment is to be made after delivery, and for which a receipted document (DOE/NRC Form 741) has not been received, but according to financial records payment has been made, the shipper shall close the receiver's side of the transaction upon notification of payment.
- 5 When notification that shipment has been received (i.e., TWX, facsimile, telephone, letter, with or without additional shipper's request) from an appropriate official within the foreign entity to which the material was shipped, the shipper may effect closure.

NOTE: In all of the above, the shipper should take whatever steps are necessary to ensure that the notification that is being relied on for closure relates to the shipment transaction being closed.

- (b) Transactions Involving Licensees. In those instances in which the other party to a transaction is a licensee and is not required to report shipper or receiver data (e.g., a transaction involving source material), facility personnel shall nevertheless prepare the required data for entry into the NMMSS. The transaction is a one-party type and shall show an "M" action code.
- (c) Transactions Involving Waste Disposition Areas and/or Waste Management Areas

DOE/NRC Forms 741 shall be used to document transfers of nuclear material from one waste disposition area ("four character" RIS) to another. DOE/NRC Forms 741 shall also be used to document transfers of nuclear material from one waste management area ("V" RIS) to another. For such transfers of nuclear material between RISs administered by ORO, the MC&A Team will consider the preparation of summary DOE/NRC Forms 741 (documenting all transfers during a period). If summary DOE/NRC Forms 741 are approved, internal site records must be sufficient to reconcile all nuclear material inventory data during the period.

In general, the above guidance applies to nuclear material currently recorded under a RIS. It does not usually apply to transfers of matter contaminated with unrecovered nuclear material that has been previously written off the books as an inventory difference, normal/accidental loss, or approved write-off (e.g. construction/D&D debris, soil, sludge, etc.); however, DOE/NRC Form 741 documentation shall be provided if required to meet the receiver's licensing/regulatory requirements.

- (d) Material-in-transit (Domestic Shipments). The following supplemental guidance is intended to clarify the material-in-transit rule:

1 Basic Concepts.

- a *Receipt* occurs whenever the transfer vehicle is unloaded or the transfer vehicle's integrity is breached (tamper-indicating devices removed or broken) at the receiving facility. A *transfer check* is required immediately after *receipt*.
- b Material is considered to be *in transit* until *receipt* occurs; however material *in transit* at the end of a reporting period shall be included in the receiver's reported inventory. Material *in transit* does not result in a reportable inventory difference.
- c The date of *receipt* will be used to "start the clock" to determine the allowable time frames for NMMSS reporting, material confirmation, and/or accountability measurements.

2 Related NMMSS Transactions.

An *A-J* transaction must be submitted by the receiver for the following three scenarios:

- a Material is *in transit* at the end of the reporting period. The *action date* on the DOE/NRC Form 741 shall be the last day of the preceding calendar month. (Note: As stated above, such an *A-J* transaction does not "start the clock".)
- b *Receipt* of material has occurred during the current process month and the material shall be measured by the receiver at a later date and closed by an *A-E* transaction. The *action date* for the *A-J* shall be the date of *receipt*. If the closing *A-E* transaction shall be delayed more than 10 calendar days following *receipt*, an *A-N* or *A-U* transaction must also be submitted. (Note: An *A-N* or *A-U* transaction must always be preceded by an *A-J*; however, if an *A-J* transaction had already been submitted for this material transfer under Scenario a above, only the *A-N* or *A-U* transaction is required at the time of *receipt*.)
- c Although this scenario is highly unlikely, an *A-J* transaction would also be required if [1] *receipt* of material has occurred, [2] the receiver plans to accept the shippers weights without measurement with an *A-B* transaction (upon the completion of a successful *transfer check*), but [3] the *A-B* transaction cannot be submitted within 10 calendar days of receipt. As in the preceding scenario, the *action date* for the *A-J* transaction would be the date of *receipt*, and an *A-N* or *A-U* transaction would also be required.

While an *A-N* or *A-U* transaction must always be preceded by an *A-J*; an *A-J* transaction need not be followed by an *A-N* or *A-U* except as discussed in Scenarios b and c above.

- (2) Shipments Awaiting Processing. The following guidance is given concerning materials being received that are awaiting processing-
- (a) On shipments that will be measured within 30 days, record as an "N" action code.
 - (b) On shipments that will be measured beyond 30 days, record as a "U" action code.
 - (c) After determination of measured values, the transaction shall be closed using an "E" action code ("B" action code if accepting shipper's values).

If it appears that a shipment will not be processed within a 2-year time period, notify the MC&A Team so a determination can be made as to how to handle the transaction.

- (3) Distribution of Copies.

- (a) All NMMSS submissions shall be sent to the following address */**:

NAC International
NMMSS Project
P.O. Box 922088
Norcross, Georgia 30010

* Unclassified submissions should be sent "Attention: Program Administration."

** Classified submissions should be sent "Attention: Document Control."

- (b) If the transaction involves DOE-owned californium, NMMSS-Program Control (QFA) shall send copies of the advance notification copy and signed receiver's copy to:

U.S. DOE
DOE Oak Ridge Operations
Financial Pricing and Review Team (FM-731)
P. O. Box 2001
Oak Ridge, Tennessee 37831-8771

- b. Authorized Profiles of Inventory Data.

To make changes to an inventory profile, contact the MC&A Team and provide the following information for submission to DOE Headquarters:

- (1) RIS code.
- (2) Line number.

- (3) Deletion or addition.
- (4) Material type.
- (5) Count (piece, bulk, or combination).

The approved change is communicated to NMMSS authorizing the addition to the requestor's inventory profile.

**FIGURE 2-1
OAK RIDGE OPERATIONS
FACILITY CONTROL DATA SHEET**

Reporting Facility _____
RIS _____ Material Type _____ Period _____

A. Inventory Difference Summary

<u>Information Categories</u>	<u>Element Weight</u>	<u>Isotope Weight</u>
77. Inventory Difference (Book-Physical ID, BPID)	_____	_____
88. Redetermination of Discrete Items on Inv.	_____	_____
89. Redetermination of Material in Process	_____	_____
90. Process Holdup Differences	_____	_____
91. Equipment Holdup Differences	_____	_____
92. Measurement Adjustments	_____	_____
93. Rounding	_____	_____
94. Recording and Reporting Errors	_____	_____
95. Shipper-Receiver Adjustments	_____	_____
96. Identifiable Item Adjustments	_____	_____
TOTAL EXPLAINED ID (EID)	_____	_____
97. Actual Inventory Difference (AID)	_____	_____
<u>Control Limits:</u> Alarm - Upper Limit	_____	_____
Lower Limit	_____	_____
Warning - Upper Limit	_____	_____
Lower Limit	_____	_____

B. Losses/Writeoffs

74. Normal Operating Losses/Measured Discards	_____	_____
75. Accidental Losses	_____	_____
76. Approved Writeoffs	_____	_____

	<u>Element Wt., Kg.</u>	<u>Isotope Wt. Kg.</u>
C. 80. Ending Inventory	_____	_____

MATERIALS CONTROL

NOTE: DOE M 474.1-1A, Chapter III, contains detailed requirements for MC&A program materials control requirements delineated in DOE O 474.1A, subparagraph 4c.

1. General. Materials control procedures required by DOE M 474.1-1A, Chapter III, may be covered by existing security procedures at the option of the contractor. Contractor shall document security procedures being used as alternates for required MC&A procedures and submit to MC&A Team for concurrence.
2. Access Controls.
 - a. Materials Access. The documented access control program shall be referenced in the MC&A Plan.
 - b. Data Access. Facility documentation shall identify the data and information to which this requirement applies.
 - c. Equipment Access. Facility documentation shall identify the equipment to which this requirement pertains and shall identify the nature of the access control that pertains to each category of equipment.
3. Material Surveillance. The documented material surveillance program shall be referenced in the MC&A Plan.
4. Material Containment. The documented material containment program shall be referenced in the MC&A Plan.
5. Detection/Assessment. Documentation substantiating that daily administrative checks were made shall be retained for one year or until the next ORO/OSS survey of MC&A is conducted at the facility, whichever is longer.

Documentation of the scope and extent of the facility daily administrative checks shall be prepared and forwarded to the cognizant COR and MC&A Team for approval. Documentation may be in the form of a letter or may be included in the facility MC&A Plan provided that the MC&A Plan document is kept current.