§ 74.33 Nuclear material control and accounting for uranium enrichment facilities authorized to produce special nuclear material of low strategic significance.

(a) General performance objectives. Each licensee who is authorized by this chapter to possess equipment capable of enriching uranium or operate an enrichment facility, and produce, possess, or use more than one effective kilogram of special nuclear material of low strategic significance at any site or contiguous sites, subject to control by the licensee, shall establish, implement, and maintain a NRC-approved material control and accounting system that will achieve the following objectives:

1. Maintain accurate, current, and reliable information of and periodically confirm the quantities and locations of source material and special nuclear material in the licensee’s possession;
2. Protect against and detect production of uranium enriched to 10 percent or more in the isotope U\text{235};
3. Protect against and detect unauthorized production of uranium of low strategic significance;
4. Resolve indications of missing uranium;
5. Resolve indications of production of uranium enriched to 10 percent or more in the isotope U\text{235} (for centrifuge enrichment facilities this requirement does not apply to each cascade during its start-up process, not to exceed the first 24 hours);
6. Resolve indications of unauthorized production of uranium of low strategic significance;
7. Provide information to aid in the investigation of missing uranium;
8. Provide information to aid in the investigation of the production of uranium enriched to 10 percent or more in the isotope U\text{235};
9. Provide information to aid in the investigation of unauthorized production of uranium of low strategic significance.

(b) Implementation dates. Each applicant for a license who would, upon issuance of a license pursuant to any part of this chapter, be subject to the requirements of paragraph (a) of this section shall:

1. Submit a fundamental nuclear material control plan describing how the performance objectives of §74.33(a), the system features and capabilities of §74.33(c), and the recordkeeping requirements of §74.33(d) will be met; and
2. Implement the NRC approved plan submitted pursuant to paragraph (b)(1) of this section prior to:
(i) The cumulative receipt of 5,000 grams of U\textsubscript{235} contained in any combination of natural, depleted, or enriched uranium or

(ii) NRC’s issuance of a license to test or operate the enrichment facility; whichever occurs first.

(c) System features and capabilities. To meet the general performance objectives of paragraph (a) of this section, the Material Control and Accounting (MC&A) system must include the features and capabilities described in paragraphs (c) (1) through (8) of this section. The licensee shall establish, document, and maintain:

(1) A management structure that ensures:
   (i) Clear overall responsibility for MC&A functions;
   (ii) Independence of MC&A management from production responsibilities;
   (iii) Separation of key MC&A responsibilities from each other; and
   (iv) Use of approved written MC&A procedures and periodic review of those procedures;

(2) A measurement program that ensures that all quantities of source material and special nuclear material in the accounting records are based on measured values;

(3) A measurement control program that ensures that:
   (i) Measurement bias is estimated and minimized through the measurement control program, and any significant biases are eliminated from inventory difference values of record;
   (ii) All MC&A measurement systems are controlled so that twice the standard error of the inventory difference, based on all measurement error contributions, is less than the greater of 5,000 grams of U\textsubscript{235} or 0.25 percent of the U\textsubscript{235} of the active inventory for each total plant material balance; and
   (iii) Any measurements performed under contract are controlled so that the licensee can satisfy the requirements of paragraphs (c)(6) (i) and (ii) of this section;

(4) A physical inventory program that provides for:
   (i) Performing, unless otherwise required to satisfy part 75 of this chapter, a dynamic (nonshutdown) physical inventory of in-process (e.g., in the enrichment equipment) uranium and U\textsubscript{235} at least every 65 days, and performing a static physical inventory of all other uranium and total U\textsubscript{235} contained in natural, depleted, and enriched uranium located outside of the enrichment processing equipment at least every 370 calendar days, with static physical inventories being conducted in conjunction with a dynamic physical inventory of in-process uranium and U\textsubscript{235} so as to provide a total plant material balance at least every 370 calendar days; and
   (ii) Reconciling and adjusting the book inventory to the results of the static physical inventory and resolving, or reporting an inability to resolve, any inventory difference that is rejected by a statistical test which has a 90 percent power of detecting a discrepancy of a quantity of U\textsubscript{235}, established by NRC on a site-specific basis, within 60 days after the start of each static physical inventory;

(5) A detection program, independent of production, that provides high assurance of detecting:
   (i) Production of uranium enriched to 10 percent or more in the U\textsubscript{235} isotope, to the extent that SNM of moderate strategic significance could be produced within any 370 calendar day period;
   (ii) Production of uranium enriched to 20 percent or more in the U\textsubscript{235} isotope; and
   (iii) Unauthorized production of uranium of low strategic significance;

(6) An item control program that ensures that:
   (i) Current knowledge is maintained of items with respect to identity, uranium and U\textsubscript{235} content, and stored location; and
   (ii) Items are stored and handled, or subsequently measured, in a manner so that unauthorized removal of 500 grams or more of U\textsubscript{235}, as individual items or as uranium contained in items, will be detected. Exempted from the requirements of paragraph (c)(6) (i) and (ii) of this section are licensed-identified items each containing less than 500 grams U\textsubscript{235} up to a cumulative total of 50 kilograms of U\textsubscript{235} and items that exist for less than 14 calendar days;

(7) A resolution program that ensures that any shipper-receiver differences are resolved that are statistically significant and exceed 500 grams U\textsubscript{235} on
§ 74.41 Nuclear material control and accounting for special nuclear material of moderate strategic significance.

(a) General performance objectives. Each licensee who is authorized to possess special nuclear material (SNM) of moderate strategic significance or SNM in a quantity exceeding one effective kilogram of strategic special nuclear material in irradiated fuel reprocessing operations other than as sealed sources and to use this material at any site other than a nuclear reactor licensed pursuant to part 50 of this chapter; or as reactor irradiated fuels involved in research, development, and evaluation programs in facilities other than irradiated fuel reprocessing plants; or an operation involved with waste disposal, shall establish, implement, and maintain a Commission-approved material control and accounting (MC&A) system that will achieve the following performance objectives:

(1) Maintain accurate, current, and reliable information on, and confirm, the quantities and locations of SNM in the licensee’s possession;

(2) Conduct investigations and resolve any anomalies indicating a possible loss of special nuclear material;

(3) Permit rapid determination of whether an actual loss of a significant quantity of SNM has occurred, with significant quantity being either:

(i) More than one formula kilogram of strategic SNM; or

(ii) 10,000 grams or more of uranium-235 contained in uranium enriched up to 20.00 percent.

(4) Generate information to aid in the investigation and recovery of missing SNM in the event of an actual loss.

(b) Implementation schedule. Each applicant for a license, and each licensee that, upon application for modification of its license, would become newly subject to the requirements of paragraph (a) of this section shall:

(1) Submit a fundamental nuclear material control (FNMC) plan describing how the performance objectives of §74.41(a) will be achieved, and how the...