

From: Brian Richter  
To: William Huffman *NRR*  
Date: 10/18/02 11:01AM  
Subject: Rulemaking Plan on Fire Protection Manual Actions

*FOIA 2002 0358*  
*transcript B*  
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Bill,

First, I think the rulemaking plan is well thought out, clearly states the problem, and what you are proposing to accomplish with this action. (I guess I mean I was able to follow it.) Next, you are correct in that the reg analysis should be contracted out for this action. Trying to guesstimate how much time will be needed for the reg analysis work by a contractor for both the proposed rule and final rule isn't easy because of some of the points I mention below. However, I think a minimum of a half staff-year of effort will be needed, possibly more, up to 3/4 of a year. If one assumes around \$150,000/staff-year, that would be \$75,000 to about \$115,000 for all the work. Basically, an analysis is needed, of course, for the rule and if done correctly it will address the proposed revised guidance as well. However, the staff will need to look closely at whether the new enforcement policy would need a regulatory analysis. This could be a problem especially as the Commission paper notes, "industry does not agree with the staff that this is a compliance issue." If the total reg analysis can be done for \$75k, I would guess that the proposed rule effort would require about \$45k and the remainder would cover the final rule.

Page 5 of the Commission paper states that the "... action will permit licensees ... not in compliance ... to achieve compliance through appropriate analysis, documentation. ..." As a result, an OMB paperwork reduction package will likely be needed as part of this reg analysis effort.

Page 13, under Supporting Documents, 3rd bullet, I suggest you modify it so it reads "a regulatory analysis with sufficient information to determine, among other things, whether the regulation will have a significant economic impact on small entities (as required by the Regulatory Flexibility Act)." You don't want to state in the rulemaking plan what you want the result of an incomplete reg analysis to be on an issue. (See the following point.)

In the Small Business Reg Flex paragraph, page 13, I disagree with what you've stated and think you should include something more along the lines of the 4th paragraph on page 12 (OGC input on the same point).

While I didn't intend to edit the package, I noticed some typos.

#### Commission paper

Page 2, last full paragraph, second line from the bottom should read "seek an exemption or ..." ✓

(This is a real nit.) Page 5, last full paragraph, second line, suggest changing the word "alternate" to "alternative" as used in the draft rulemaking plan. ✓

Page 6, first full paragraph, second line from the end, should read "Commission for approval ..." ✓

Page 6, in the paragraph on resources, include information on the contractual assistance needed. ✓

#### Rulemaking Plan

Page 1, first paragraph, 11th line, "staff also believes that manual actions are in ..." ✓

Page 2, first full paragraph, first line, the word "protections" should be singular. Also, the word "depends" should read "depend." ✓

Page 9, third bullet under Advantages, "Rulemaking would avoid the need for licensees to prepare exemption requests and NRC to process ..." ✓

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Page 9, last line, should read "This option is . . ." Option should be singular. ✓

Page 10, first line, "also most more likely . . ." because there are more than two options. ✓

Page 14, under Resources, third sentence contains the words "are available" twice.

Let me know if you have any questions.

CC: Brian Thomas