

April 16, 2010

MEMORANDUM TO: Samuel J. Collins, Regional Administrator, Region I
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Mark A. Satorius, Regional Administrator, Region III
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FROM: Roy P. Zimmerman, Director/RA/
Office of Enforcement

SUBJECT: APPLICATION OF THE ENFORCEMENT POLICY AND
ENFORCEMENT GUIDANCE MEMORANDA ON FIRE PROTECTION

Purpose:

The purposes of this memorandum are to (1) summarize current and past revisions to the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues and enforcement guidance memoranda (EGM), (2) explain how the interface between the Enforcement Policy and EGM must be considered in making decisions pertaining to enforcement discretion, (3) provide guidance to the staff on how to apply the Enforcement Policy and applicable EGM to certain fire protection issues, and (4) to provide guidance to the regions for documenting a noncompliance/finding for a fire protection issue.

Discussion:

Since 1998, the NRC has issued a number of revisions to the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues and multiple EGM relating to fire protection issues. The Interim Enforcement Policy and EGM pertain to circuits, operator manual actions, and the transition to 10 CFR 50.48(c), National Fire Protection Association Standard 805 (NFPA 805). The NRC Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>) and EGM 09-002, "Enforcement Discretion for Fire Induced Circuit Faults," dated May 14, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090300446) remain in effect. EGM 98-002, Revision 2, "Disposition of Violations of Appendix R, Sections III.G and III.L Regarding Circuit Failures," dated February 2, 2000, and EGM 07-004, "Enforcement Discretion for Post-Fire Manual Actions Used as Compensatory Measures for Fire Induced Circuit Failures," dated July 30, 2007, have either expired or been superseded.

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Open inspection items that have not yet received disposition, pending completion of licensee actions within specified timeframes, must be closed. This memorandum covers the method for handling these items and other issues. In applying enforcement discretion for these issues, the NRC must consider several factors, including, but not limited to, the Enforcement Policy that existed at the time those issues were discovered, as well as the policy and EGM in effect today.

Enforcement Discretion Related to Fire Protection Issues:

NRC Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues (10 CFR 50.48)

Enforcement discretion will be in effect for 3 years from the date specified by the licensee in its letter of intent to start the transition process to NFPA 805. The NRC may exercise an additional period of enforcement discretion on a case-by-case basis, if a licensee has made substantial progress in its transition effort. This additional period of discretion, if granted, would end 6 months after the date of the safety evaluation approving the second pilot plant license amendment request (LAR) review.¹ Presuming that a LAR is submitted before this date, enforcement discretion will continue to be in place until the NRC determines the disposition of the licensee's amendment request to transition to 10 CFR 50.48(c).

For transitioning plants, normally the NRC will not take enforcement action for a violation of 10 CFR 50.48(b) or the requirements in a fire protection license condition involving problems in engineering, design, implementing procedures, or installation, if the violation is documented in an inspection report and meets all of the following criteria:

1. The violation was identified by the licensee, as a result of its voluntary initiative to adopt the risk-informed, performance-based fire protection program included under 10 CFR 50.48(c), or, if the NRC identified the violation, the NRC staff finds it likely that the licensee would have identified the violation in light of the defined scope, thoroughness, and schedule of the licensee's transition to 10 CFR 50.48(c), provided that the schedule reasonably provides for completion of the transition within 3 years of the date specified by the licensee in its letter of intent to implement 10 CFR 50.48(c) or other period granted by the NRC.
2. The violation was corrected or will be corrected as a result of completing the transition to 10 CFR 50.48(c). Also, the licensee took immediate corrective actions and /or compensatory measures, within a reasonable time commensurate with the risk significance of the issue following its identification (this action should involve expanding the initiative, as necessary, to identify other issues with similar root causes).
3. The violation was not likely to have been previously identified by routine licensee efforts such as normal surveillance or quality assurance activities.
4. The violation was not willful.
5. The violation is not associated with a finding of high safety significance.

Enforcement discretion for an existing identified noncompliant issue is no longer available to licensees who submitted their letter of intent and began to transition to NFPA 805 after December 31, 2005.

¹ The staff expects to issue the second pilot plant safety evaluation in 3rd/4th calendar quarter of 2010.

Enforcement Guidance Memorandum 09-002

EGM 09-002 superseded EGM 98-002 for multiple spurious operations. Enforcement discretion for a multiple fire-induced circuit expires on November 2, 2012 (3 years from the date of the issuance of Regulatory Guide (RG) 1.189, Revision 2, "Fire Protection for Nuclear Power Plants"²). Licensees have until May 2, 2010, to identify a noncompliance related to a multiple fire-induced circuit fault, place the noncompliance into their corrective action program, and implement compensatory measures for the noncompliance. A noncompliance identified after May 2, 2010, will be subject to enforcement action. Licensees have until November 2, 2012, to complete the corrective actions (i.e., by that date, the licensee must have submitted an exemption or amendment request for NRC review or completed the corrective actions) associated with the noncompliant multiple fire-induced circuit fault.

Inspection Procedure 71111.05T, "Fire Protection (Triennial)," will be updated to include information for reviewing safe-shutdown circuit failure issues in accordance with the guidance in RG 1.189, Revision 2. Full inspections are scheduled to occur beginning January 2011, coincident with the next full triennial inspection cycle.

Following November 2, 2012, the NRC staff will pursue additional options to ensure that licensees have resolved circuit-related issues. These options will likely be modeled after the efforts to ensure that manual action findings have been properly addressed. The staff has not finalized the path forward for ensuring consistency regarding manual action findings, but this path may include a temporary instruction.

Enforcement Guidance Memorandum 07-004 (No Longer in Effect)

EGM 07-004 superseded EGM 98-002 for unapproved operator manual actions performed for a single fire-induced circuit fault. By September 6, 2007, the licensee was required to have entered these unapproved manual actions into its corrective action program and instituted compensatory measures. Once these compensatory measures were implemented, enforcement discretion continued until March 6, 2009, by which time the licensee must have established corrective actions or submitted a request for an exemption or a license amendment to the NRC for approval. Enforcement discretion continues while such requests are in the approval process. Eight sites have submitted licensing actions for the use of operator manual actions.

Enforcement Guidance Memorandum 98-002 (No Longer in Effect)

EGM 98-002 was superseded by EGM 07-004 for single fire-induced circuit faults and EGM 09-002 for noncompliant issues that do not involve single fire-induced circuit faults.

Examples of Staff Actions for Possible Fire Protection Scenarios:

This list of scenarios is neither exhaustive nor controlling and is intended to be used as guidance only. If a noncompliant fire protection issue has not been captured in these scenarios or is not inherently obvious, contact the Office of Nuclear Reactor Regulation (NRR) fire protection branch chief or an Office of Enforcement specialist. If a licensee meets the criteria for enforcement discretion, the issue should be documented in accordance with the section of this memo labeled "Documenting Noncompliances/Findings for Fire Protection Issues."

² RG 1.189, Revision 2, issuance date was November 2, 2009 (74 FR 56673).

Single Fire-Induced Circuit Fault and Associated Operator Manual Action Scenarios

Enforcement discretion no longer applies for an apparent violation resulting from one or more noncompliant operator manual actions that address a single fire-induced circuit fault. If a single fire-induced circuit fault is identified with no corrective action in place, the NRC will handle the issue in accordance with the Enforcement Policy.

Multiple Fire-Induced Circuit Fault and Associated Operator Manual Action Scenarios

1. An apparent violation results from a noncompliant operator manual action in place to address a multiple fire-induced circuit fault. In this scenario, the noncompliant issue was placed in a licensee's corrective action program, and appropriate compensatory measures were in place before November 2, 2009.

Enforcement discretion for the noncompliant issue would apply under EGM 09-002.

2. An apparent violation results from one or more noncompliant operator manual actions in place to address a multiple fire-induced circuit fault. In this scenario, the noncompliant issue was placed in a licensee's corrective action program, and appropriate compensatory measures were put in place before May 2, 2010.

To receive enforcement discretion under EGM 09-002, a licensee must (1) identify noncompliances related to multiple fire-induced circuit faults, (2) place the noncompliances into its corrective action program, and (3) implement appropriate compensatory measures for the noncompliance. These actions must be completed before May 2, 2010. As such, this apparent violation would receive enforcement discretion.

3. The licensee identifies a noncompliant multiple fire-induced circuit failure before May 2, 2010; enters the issue in its corrective action program; and establishes adequate compensatory measures. The licensee has also submitted an exemption request or a license amendment to the NRC for disposition of the noncompliant multiple fire-induced circuit fault before November 2, 2012.

The licensee may continue to receive enforcement discretion in accordance with EGM 09-002 while the NRC is reviewing the exemption request or license amendment. The NRC will review the exemption request or LAR for acceptance under the guidance of NRR Office Instruction LIC-109, "Acceptance Review Procedures," dated May 2, 2008 (ADAMS Accession No. ML081200811). If the exemption or amendment is acceptable, the licensee will continue to receive enforcement discretion until the staff determines the disposition of the exemption or amendment request. If the exemption or amendment is unacceptable but will require a supplement from the licensee, the enforcement discretion will continue while under review by the staff. If, after receiving the supplemental information, the staff determines that the exemption or amendment is acceptable for review, enforcement discretion will continue until the NRC decides the disposition of the exemption or amendment. If the NRC receives the exemption or amendment request after November 2, 2012, or if during the LIC-109 process, a licensee's submittal is initially characterized as unacceptable with no opportunity to supplement, or if the submittal is not acceptably supplemented, or if the submittal is withdrawn, the staff will decide the disposition of the noncompliance in accordance with the Enforcement Policy.

4. A licensee chooses not to submit an exemption request or license amendment for a noncompliant multiple fire-induced circuit fault.

The licensee has until November 2, 2012, to restore compliance. If the licensee has not restored compliance by that date, the NRC may take enforcement actions.

5. A licensee is unable to complete the corrective actions associated with a noncompliant multiple fire-induced circuit fault by November 2, 2012.

Enforcement discretion will end November 2, 2012, and will not be extended for unresolved multiple fire-induced circuit faults, regardless of any compensatory measures that are still in place. However, if they submitted an exemption or LAR prior to November 2, 2012, enforcement discretion may be extended while these documents are under review.

6. A licensee is currently receiving enforcement discretion under EGM 09-002 for a number of identified noncompliant issues and at some point before November 2, 2012, decides to transition to NFPA 805.

This complex case will require discussions between both the regional and Headquarters staff to decide whether the licensee should receive enforcement discretion for the noncompliant issue(s) identified by the licensee. Factors to be discussed include, but are not limited to, the status of the corrective actions, the severity of the violations, and the number of violations.

NFPA 805 Scenarios

1. A licensee submits its letter of intent and begins to transition to NFPA 805 before December 31, 2005.

The NRC may allow enforcement discretion for existing noncompliances if:

- The licensee has entered the noncompliance into its corrective action program and implemented appropriate compensatory measures.
- The noncompliance is not associated with a finding that the ROP SDP would evaluate as red, or it would not be categorized at Severity Level I.
- The noncompliance was not willful.

Enforcement action normally will not be taken for a violation of 10 CFR 50.48(b) (or the requirements in a fire protection license condition) involving a problem such as engineering, design, implementing procedures, or installation, if the violation is documented in an inspection report and meets all of the following criteria:

- the licensee identified the violation as a result of a voluntary initiative to adopt the risk-informed, performance-based fire protection program under 10 CFR 50.48(c) or, if the NRC identified the violation, the NRC staff found it likely that the licensee would have identified the violation in light of the defined scope, thoroughness, and schedule of the licensee's transition to 10 CFR 50.48(c), provided that the schedule reasonably provides for completion of the transition within 3 years of the date specified by the licensee in its letter of intent to implement 10 CFR 50.48(c) or other period granted by the NRC.

- The violation was corrected or will be corrected as a result of completing the transition to 10 CFR 50.48(c). Also, the licensee took immediate corrective action and/or compensatory measures within a reasonable time commensurate with the risk significance of the issue following identification (this action should involve expanding the initiative, as necessary, to identify other issues caused by similar root causes).
- Routine licensee efforts such as normal surveillance or QA activities were not likely to have previously identified the violation.
- The violation was not willful.

The NRC may take enforcement action when these conditions are not met or when a violation that is associated with a finding of high safety significance is identified.

2. A licensee submits its letter of intent and begins to transition to NFPA 805 after December 31, 2005.

The NRC will not grant enforcement discretion for existing identified noncompliances. However, enforcement discretion is allowed for any noncompliances identified as part of the transition if the noncompliance meets the criteria stated in 1 above.

3. A licensee submits its letter of intent and begins to transition to NFPA 805 after December 31, 2005, but the licensee does not think it will complete its LAR within the 3-year period.

An additional period of enforcement discretion may be granted on a case-by-case basis if a licensee has made substantial progress in its transition effort. The NRC will assess substantial progress based on the accomplishment of tasks that are not resource limited with respect to fire probabilistic risk assessment technical expertise (e.g., classical fire protection transition, deterministic nuclear safety performance criteria transition, nonpower operational transition, radioactive release transition, development of the NFPA 805 monitoring program, operator manual action transition to NFPA 805 recovery actions). This would extend discretion 6 months after the date of the safety evaluation approving the second pilot plant LAR. See the Enforcement Policy (73 FR 52705) for more information on the additional period for enforcement discretion.

If the licensee does not show that it has made substantial progress, then the extension will be denied and enforcement action will be taken 3 years after the licensee submitted its letter of intent and actively started the transition process. When NRR identifies this as an issue, NRR staff will inform the licensee in a letter and will provide a copy of the letter to the appropriate regional counterparts. As of the date of this memorandum, twenty-nine units have requested and received extensions to their enforcement discretion for their transitions to NFPA 805

4. A licensee submits its LAR for NFPA 805 to the NRC for review and questions whether enforcement discretion will continue.

The staff will use the guidance of NRR Office Instruction LIC-109 to process an amendment request. Licensees that submit an acceptable and complete amendment request within 3 years of the date the licensee started the transition process, or 6 months after the second pilot plant safety evaluation report is issued, if applicable, will continue to receive enforcement discretion until the staff decides the disposition of the amendment

request. If the amendment is unacceptable but the licensee is given the opportunity to supplement its submittal, the enforcement discretion will continue while the staff reviews the amendment. If the staff determines that the amendment is acceptable for review after receipt of the supplemental information, enforcement discretion will continue until the NRC determines the disposition of the amendment. If during the LIC-109 process, a licensee's submittal is not acceptably supplemented or a submittal is initially characterized as unacceptable with no opportunity to supplement, the licensee will no longer receive enforcement discretion, and the disposition of the noncompliance will be in accordance with the Enforcement Policy if 3 years have elapsed since the date the licensee started its transition process. When NRR identifies this as an issue, the NRR staff will inform the licensee in a letter and will provide a copy of the letter to the appropriate regional counterparts.

5. A licensee submits its letter of intent and starts the transition process to comply with 10 CFR 50.48(c), but before submitting the LAR, decides not to transition to NFPA 805.

The licensee must submit a letter stating (1) that it intends to retain its existing license basis and (2) that it is withdrawing its letter of intent to comply with 10 CFR 50.48(c). Any violations identified before the date of the withdrawal letter may be eligible for discretion, provided that they are resolved under the existing licensing basis and meet the criteria included in the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues. Resolved noncompliance includes issues that were corrected before the time of withdrawal from NFPA 805 and a noncompliance that the licensee is currently correcting to become compliant. These corrective actions (e.g., an exemption has been submitted for NRC review or a modification is planned) must be reasonable and timely, as assessed by both regional and Headquarters staff, at the time of withdrawal.

In accordance with the Enforcement Policy, the NRC will decide the disposition of a noncompliance identified as part of the abandoned transition to NFPA 805, if the licensee has not taken reasonable action on the matter, as assessed by both regional and Headquarters staff. The NRC will also follow the Enforcement Policy in the disposition of a noncompliance identified after the date of the above withdrawal letter and not meeting the criteria of EGM 09-002.

6. While in the process of transitioning to NFPA 805, a licensee discovers a single or multiple fire-induced circuit fault.

The NRC will normally not take enforcement action³ for an apparent violation of 10 CFR 50.48(b) (or the requirements in a fire protection license condition) involving a problem in engineering, design, implementing procedures, or installation.

7. A licensee commits to NFPA 805 and submits an LAR, which states that plant modifications are required. The LAR is conditioned upon incomplete modifications, and the licensee fails to complete these modifications within the specified period of time.

The NRC may take enforcement actions.

³ The NRC may take enforcement action when the conditions in the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues are not met.

Miscellaneous Scenarios

1. During an NRC inspection, a fire protection noncompliant issue is identified. This noncompliant issue receives enforcement discretion (either under EGM 09-002 or NFPA 805) and is entered in the licensee's corrective action program. Appropriate compensatory actions are in place, and the issue is documented in an inspection report. Later, the NRC inspects the facility and revisits the issue to find that enforcement discretion for that item has ended and compliance has not been restored.

The ROP SDP will handle apparent violations for fire protection issues unless the apparent violations (1) involve actual consequences, (2) impact the regulatory process, or (3) are found to be willful.

2. During an NRC inspection, a fire protection noncompliant issue is identified. This noncompliant issue receives enforcement discretion (either under EGM 09-002 or NFPA 805) and is entered in the licensee's corrective action program. Appropriate compensatory actions are in place, and the issue is documented in an inspection report. Later, the NRC inspects the facility and revisits the issue to find that the licensee corrected the noncompliance, but the correction was made after the enforcement discretion for that item had ended.

Although the issue is now in compliance, it was not corrected during the enforcement discretion period. Therefore, the NRC will handle the issue through the ROP SDP unless it (1) involves actual consequences, (2) impacts the regulatory process, or (3) is found to be willful.

3. Often, there is a distinction between plants licensed before 1979, 10 CFR 50 Appendix R plants, and plants licensed after 1979 (often called Standard Review Plan or SRP plants). This memorandum does not distinguish between these types of plants. RG 1.189, Revision 2, includes a discussion of the differences pertinent to fire-induced circuit failures.

Documenting Noncompliances/Findings for Fire Protection Issues:

Inspectors should consult the applicable NRC fire protection inspection procedure for specific guidance on the appropriate scope and objectives of reviews of issues related to fire protection. Specifically, when inspecting plants in transition to NFPA 805, inspectors must be cognizant of the adjustments to the scope of inspection in light of the actions that these licensees are taking to identify and resolve longstanding issues.

1. This guidance supplements the existing guidance in Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," Section 12.01(b), "Violations in Specified Areas of Interest Qualifying for Enforcement Discretion."
2. Each finding will be assigned an enforcement action (EA) tracking number from the Enforcement Action Tracking System. The regions may use discretion in deciding whether to assign an EA tracking number to a previously identified noncompliance that received enforcement discretion.
3. Inspectors should use the following guidance for the body of the report:

- a. A NRC or licensee-identified finding/noncompliance for a licensee **not** transitioning to NFPA 0805 and/or a finding/noncompliance that does not meet the criteria for enforcement discretion under EGM 09-002 will be screened and documented in accordance with Section 05, "Screening Inspection Results," and Section 06, "Documenting Findings," of IMC 0612, "Power Reactor Inspection Reports."
- b. An NRC-identified finding/noncompliance for a licensee transitioning to NFPA 0805 will be screened and documented in accordance with Sections 05 and 06 of IMC 0612, if the staff determines that the finding/noncompliance does not meet the criteria for enforcement discretion.
- c. A finding/noncompliance eligible for enforcement discretion under (1) the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues (10 CFR 50.48) or (2) EGM 09-002 will be documented as follows:
 - (1) Evaluate the significance of the finding to determine whether the significance is of high safety significance (red) or categorized as a Severity Level I violation. Findings of high safety significance or Severity Level I violations are not eligible for enforcement discretion and should be documented in accordance with paragraph 3.a above. The staff does not need to complete an SDP to make this determination. Findings that are initially evaluated as potentially being of high safety significance should be vetted through personnel who are knowledgeable in fire probabilistic risk assessment. This step is not intended to replace the responsibilities and requirements of IMC 0612; rather, it is intended to preclude the conduct of unnecessary detailed SDP evaluations. The staff may process the finding/noncompliance as described in paragraph 3.a above if it determines that the complexity and significance warrant such action. For example, if the finding has multiple occurrences and complexities such that the assessment to determine the significance cannot be completed promptly or the corrective actions or compensatory measures are not adequate, then management has the flexibility to not grant discretion (it is expected that these instances would be rare).
 - (2) For a finding/noncompliance that will be granted discretion, briefly describe the finding/noncompliance in the inspection report. Include the requirement(s) violated, describe the violation, identify the licensee's corrective action tracking number(s), and provide a very brief justification describing how the licensee satisfied each criterion to receive enforcement discretion. A complete reconstruction of the SDP logic is not required. However, the written finding must include the following introductory paragraph:

The following findings/violations that affect 10 CFR 50.48 were identified by the [licensee or NRC] and are a violation of NRC requirements. These findings/violations have been screened and determined to warrant enforcement discretion per [EGM 09-002, "Enforcement Discretion for Fire-Induced Circuit Failures," or the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues].
 - (3) Do not list the finding in the "Summary of Findings" section of the inspection report and do not enter it into the Plant Issues Matrix (PIM) as described in Section 05.06 of IMC 0306, "Information Technology Support for the Reactor Oversight Process."

(4) Include the following in the cover letter of the inspection report:

- the EA tracking number(s)
- “Exercise of Enforcement Discretion” in the subject line
- the following sentence explaining why the NRC is exercising enforcement discretion:

[Findings/Violations] of 10 CFR 50.48(x) were identified by the [licensee or NRC] and are a violation of NRC requirements. The inspectors have screened these [findings/violations] and determined that they warrant enforcement discretion per [EGM 09-002, “Enforcement Discretion for Fire-Induced Circuit Failures,” or the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues] and Section 12.01(b) of IMC 0305.

(5) Do not include an assessment of cross-cutting aspects (CCAs) for licensee-identified findings that are given discretion. The PIM tracks CCAs, and any CCA identified becomes effective toward consideration of a substantive cross-cutting issue in the quarter that the inspection period closed. This action is not the intent of the discretion process. Therefore, the performance characteristic may be documented in the report, but it will not be tracked in the PIM, and it will not be assessed in the midyear or end-of-year performance assessments.

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