

**SUMMARY OF
NRC/DOE QUARTERLY QUALITY ASSURANCE MEETING
July 30, 2002**

Introduction:

This NRC/DOE Quarterly Quality Assurance Meeting was held on July 30, 2002 in Rockville, Maryland with video and audio connection to the DOE offices in the Forrestal Building, the Yucca Mountain Project Office in Las Vegas, Nevada, and the Center for Nuclear Regulatory Analyses in San Antonio, Texas. Participants included representatives from the NRC, DOE, Bechtel SAIC Co. LLC (BSC), State of Nevada, Nye County, Electric Power Research Institute, and Nuclear Energy Institute. Copies of the agenda and a list of attendees are attached as Enclosures 1 and 2, respectively.

The meeting was convened with opening remarks from Janet R. Schlueter (NRC) emphasizing the importance of DOE's QA Program and the timely implementation of an effective corrective action program as being critical to the licensing of the Yucca Mountain Project. She added that the progress of these activities would be monitored as part of the NRC's oversight of the Management Improvement Initiatives (MII). The NRC acknowledged receipt of the MII, and indicated that the staff would conduct a thorough review of the report and any comments would be provided to the DOE no later than during the next quarterly meeting. Joseph D. Ziegler (DOE) noted that DOE shared the NRC's focus on the QA issues and the need for implementing improvements.

Presentations:

Ram Murthy (DOE) presented the status of Quality Assurance Organization, current status of the Quality Assurance Requirements Description (QARD) revisions, and the results of recent Office of Quality Assurance (OQA) audits. A copy of this presentation is provided in Enclosure 3. Murthy stated that the draft Revision 12 of the QARD was limited to clarification of DOE OQA and BSC QA audit and surveillance responsibilities. The NRC (Larry Campbell) noted that prior to approval of QARD revisions, the NRC would like an opportunity to review and comment on the proposed changes. DOE (Dr. Gene E. Runkle) indicated that major revisions to the QARD are associated with the MII and that the NRC would be afforded the opportunity to review and comment prior to approval. Management representatives from the NRC (William Reamer) and DOE (Dr. Margaret Chu) agreed that for any changes to the QARD that resulted in reducing commitments the DOE would submit the proposed changes to the NRC for review and acceptance of the changes before they are implemented. DOE (Dr. Chu) acknowledged DOE's responsibility to ensure that changes to procedures implementing QARD requirements would be supported with a strong justification. Dr. Runkle stated that anticipated procedure changes would be developed by the end of the calendar year and that revisions to these procedures would be consistent with the provisions of Revision 12 of the QARD.

Relative to potential changes to the QARD, NRC (Campbell) stated that the draft Yucca Mountain Review Plan (YMRP), NUREG 1804, contains the provisions necessary for adequately describing how the quality assurance (QA) requirements of § 63.142, will be satisfied. This section of the YMRP was based on the unique requirements of § 63.142, associated with a high-level waste repository, that relies on both natural and engineered barriers rather than the discrete QA requirements contained in 10 CFR Parts 50, 70, 71, or 72. Additionally, § 63.142 (a), requires that the QA program must include a description of how the applicable requirements of § 63.142, will be satisfied. Therefore, any proposed revisions to the QARD, involving a reduction in commitment, must adequately describe an acceptable alternative method that would continue to satisfy the requirements of § 63.142.

Ram Murthy also presented an overview of recent audit activities. As a result of questions from the NRC (Campbell), DOE agreed to review its trend program to verify that conditions adverse to quality that are incorporated into existing corrective action program documents are accounted for in the trending process. DOE took an action to have additional discussions regarding capturing conditions adverse to quality (during the next Quarterly NRC/DOE QA Meeting) in the trend program.

DOE provided an update regarding the selection of the OQA Director. Dr. Runkle indicated that the selection of a permanent Director for the Office of Quality Assurance was in progress and that an announcement would be made in the near future.

Mr. Murthy's presentation was followed by a discussion of the BSC quality assurance organization and its independence by Robert Hartstern (BSC). Mr. Hartstern discussed the organizational independence and oversight activities performed by BSC QA as well as the relative benefits resulting from BSC's ownership of performing, evaluating, correcting, and implementing their own QA processes. NRC (Campbell) requested clarification on the appropriate point of contact for information related to BSC audit and surveillance schedules. DOE (Ziegler) indicated that requests for information related to the scheduling, scope, and content of audits and surveillance activities should be directed to DOE Licensing. NRC (Campbell) also questioned if BSC intended to continue to work to the projects Quality Assurance Requirements and Description or they intended to implement their own QA program in accordance with Bechtel's Corporate QA program. DOE (Murthy) stated that there were no immediate plans to institute a separate BSC QA program. NRC (Campbell) asked how the performance of BSC audits would affect the conduct of DOE OQA's audit activities. DOE (Murthy) stated that OQA would continue to perform both compliance and performance based audits.

Next, Dr. Runkle presented an overview of the MII (Enclosures 4, 5, and 6), identifying five key areas for improvement. The five key areas included Roles and Responsibilities, QA Program, Project Procedures, Corrective Action Program, and Safety-Conscious Work Environment (SCWE). The objective and approach for each initiative was discussed including the timeline when the work is expected to be accomplished. Dr. Runkle also stated that the MII would

address issues related to both perception and reality in regard to potential changes to the QARD and project procedures.

In response to a question from the NRC (Robert Latta) regarding the basis for the statements in Sec. 5.2 of the MII; that the QARD is "confusing and difficult to implement," and Sec. 5.3 of the MII; that project procedures were "typically overly prescriptive and inefficient," Dr. Runkle stated that these assertions were based on the management team's perception and that they were not directly linked to any of the source documents.

In regards to the procedures, DOE indicated that the Project needs to build the right set of procedures, train the staff to these procedures, and implement the procedures. The State of Nevada (Susan Lynch) noted that it did not appear that the procedures are the problem, but rather a management failure to create an environment where adherence to procedures was consistently applied that seemed to be the root cause of the problems.

In summary, DOE (Dr. Runkle) re-iterated that the purpose of the MII is to foster continuous improvements. The NRC (Reamer) questioned the basis for DOE's belief that they will be successful with the proposed approach, given the lack of success in implementing effective corrective actions in the past. DOE (Dr. Runkle) indicated that the predicted success of the MII was based on DOE's management commitment to move forward and the industry's support in areas such as corrective action and SCWE that will help DOE stay the course. Dr. Runkle also stated that, DOE management intends to commit the necessary resources, manage the corrective actions, and routinely report progress of the MII to the NRC.

Nancy Williams (BSC) presented a status update for Corrective Action Reports (CAR) CAR-001 (Model Validation) and CAR-002 (Software Controls) noting that the project is continuing to close out the associated corrective actions (Enclosure 7). Ms. Williams also provided an overview and status of Technical Error Reports (TERs) that were issued to document non-conformances in technical products. The NRC (Campbell) questioned if and how TERs are integrated into the trend program and if there were timeliness requirements associated with closeout of TERs. DOE (Murthy) stated that the scope of the trend program had provisions for TERs, but that very few TERs had been dispositioned. Therefore, the TERs are not currently captured in the Project's trending program. Murthy also confirmed that the governing procedure, AP-15.3Q, does not include a timeliness requirement. However, procedure AP-15.3Q is currently being revised and the inclusion of timeliness requirements related to the dispositioning of TERs is planned.

Action Items:

Tim Gunter (DOE) presented the status of the action items from past meetings. In addition, two new action items were agreed to:

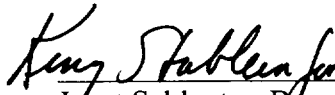
1. DOE to provide additional information regarding capturing conditions adverse to quality in the trend program.

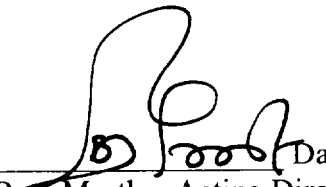
2. DOE to provide date for the upcoming software audit and surveillance (Information provided to NRC OR on August 08, 2002). Complete.


The current status of the action items is shown in Enclosure 8.

Closing Remarks:

None.

 Date 8/16/02
Janet Schlueter, Branch Chief
Division of Waste Management
Office of Nuclear Material
Safety and Safeguards
U.S. Nuclear Regulatory Commission

 Date 8/9/02
Ram Murthy, Acting Director
Office of Quality Assurance
Office of Civilian Radioactive
Waste Management
U.S. Department of Energy

 Date 8/12/02
Joseph D. Ziegler,
Acting Assistant Manager
Office of Licensing and
Regulatory Compliance
Yucca Mountain Site
Characterization Office
U.S. Department of Energy

Enclosures

NRC/DOE QUARTERLY QUALITY ASSURANCE MEETING July 30, 2002

<u>Enclosure</u>	<u>Description</u>
1	Agenda
2	Attendance List
3	DOE QA Program
4	Management Improvement Initiatives
5	Flow Chart of MII Activities
6	MII Report, Revision 0, July 2002
7	Status of CARs 1 and 2
8	Action Items