

October 3, 2002

Dr. Margaret Chu
Office of Civilian Radioactive Waste Management
U.S. Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585

Dear Dr. Chu:

This letter is in response to your letter dated July 19, 2002, transmitting the Office of Civilian Radioactive Waste Management's (OCRWM's) Management Improvement Initiatives (MII). These initiatives address Corrective Action Reports BSC-01-C-001 and BSC-01-C-002, evaluate the assessment results from 15 source documents, and chart a path forward for overall OCRWM improvements.

We commend your strong commitment to implementing the changes identified in the MII. In particular, we note your identification of high-level, senior management officials who are responsible for implementation of the five key areas of improvement discussed in the MII. That you have identified yourself as the responsible manager for the key area of clarifying program roles, responsibilities, authority, and accountability vividly communicates your commitment to ensuring the successful implementation of the MII initiatives.

The Department of Energy (DOE) is of course responsible for managing its High-level Waste (HLW) program and needs the discretion and flexibility to focus on certain program areas of concern to DOE. In the MII, there appears to be an inherent assumption of problems in two program areas—Quality Assurance (QA) Programs and Processes; and Program Procedures—where, from the Nuclear Regulatory Commission's (NRC's) perspective, DOE's analyses and self-assessments have not identified difficulties. Therefore, as DOE takes as broad an approach to improving the management of its program as it deems appropriate, it should maintain an appropriate focus on how each of the initiatives will help achieve your stated purposes of addressing weaknesses in implementation of the QA program and ensuring work products consistently meet quality objectives and are fully defensible.

With this background, my staff carefully reviewed the MII and concluded that while it provides a well-developed approach to addressing CARs BSC-01-C-001 and 002, which were already being addressed in the current QA program, it is lacking in other areas. For example, beyond the information on CARs BSC-01-C-001 and 002, the staff considers that the inclusion of basic information on specific action items, milestones, time lines, measurable goals, and performance indicators would have provided much more confidence in the ultimate likelihood of successful implementation of the MII and a correspondingly positive effect on DOE's QA program. While Appendix B, which addresses the CARs, contains the expected level of information, Appendix A, which is reflective of the broader initiatives under the MII, does not contain a parallel level of analysis and information on implementation.

As you are aware, DOE's QA program has been hampered by an inability to implement effective corrective actions to prevent recurrence of problems in the QA program. DOE needs to demonstrate positive results and outcomes which reflect that the initiatives described in the MII have been fully implemented and are effective. As DOE proceeds with implementation, NRC plans to take an increasingly performance-based approach to independently monitoring the DOE program that focuses on outcomes which measure the success of the MII and program improvements that are long overdue. In that regard, DOE needs to better link its metrics to key outcomes so that progress towards its goals can be monitored. We also encourage DOE to further refine its current effectiveness indicators so that there is more direct relationship between the stated initiatives and goals.

As a result of this review and NRC's interest in seeing substantive improvements in DOE's QA program, my staff will be looking for opportunities to monitor DOE's progress in meetings its goals for program improvements. Such opportunities will certainly include in-depth discussions at the quarterly QA and management meetings. In addition, we anticipate that periodic implementation assessment site visits by the NRC staff will be an essential part of our monitoring activities. NRC will expect DOE to identify clear goals and associated time lines, further refine its effectiveness indicators, and then update us on DOE's progress against those metrics and goals at the quarterly management meetings and other appropriate opportunities.

If you have any questions regarding this response, please feel free to contact me.

Sincerely,

/RA/ Margaret Federline for

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

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