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NUCLEAR WASTE PROJECT OFFICE**

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August 15, 1994

Malcolm Knapp, Director
Waste Management Division
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Knapp:

In past correspondence from this office, I have expressed concern regarding the Department of Energy's Management and Operating (M&O) contractor's design process for construction of the Exploratory Studies Facility at Yucca Mountain. In view of recent events, I am writing again to let you know of my continued concern over this matter and the apparent lack of NRC response to this growing problem.

On August 20, 1993, the NRC wrote to the DOE regarding its concern with the design process and requested that DOE respond with some type of plan to correct the process. DOE responded with the Design Control Improvement Plan that was intended to correct the process and help produce a design that would meet all the necessary requirements. However, it has become evident from recent events including the DOE quality assurance compliance audit of the M&O and the DOE performance-based audit of Design Package 2C, that the M&O design process is still ineffective and that the overall M&O QA program is, at best, marginally effective.

NRC's contention that DOE's discovery of the problem demonstrates an effective QA program is no longer valid. Granted, DOE did discover the problem, but it has been over a year and a half since this discovery and the problem not only still exists, but in some instances, has worsened. Design Package 2C had to be withdrawn from issuance because of its myriad of problems, including technical inadequacies and discrepancies. I believe that the NRC now has an obligation to act because it is clear that the DOE cannot or will not correct these deficiencies in its design process.

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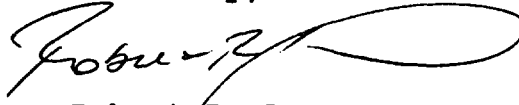
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Because of these problems and the apparent inability of the DOE and the M&O to correct them, I am again urging the NRC to strongly consider either reinstating Site Characterization Analysis Objection 1 or initiating a new objection regarding the current design process. Allowing the DOE to continue construction of the ESF with an ineffective design process would impact worker and public health and safety and potentially impact radiological safety, as well as indicate a deficiency on NRC's part in its prelicensing oversight of the high-level waste program.

I look forward to your consideration of my concern and recommendation presented in this letter. If you have any questions about this matter, please do not hesitate to contact me.

Sincerely,



Robert R. Loux
Executive Director

RRL/SWZ/cs

cc: John Cantlon, NWTRB
Dwayne Weigel, GAO
Commission on Nuclear Projects