



**AGENCY FOR NUCLEAR PROJECTS
NUCLEAR WASTE PROJECT OFFICE**

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February 10, 1995

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

Dear Dr. Knapp:

This letter requests information regarding the status of the NRC verification review of the U.S. Department of Energy's (DOE) Management and Operating (M&O) Contractor's implementation of their Quality Assurance (QA) program on the design activities for the Exploratory Studies Facilities. As you are well aware, the M&O has a history of significant problems with their QA program and its implementation on design activities in particular. The NRC has committed, at least verbally, to perform a verification review of the M&O's efforts to resolve these design problems and to determine if the M&O has made any progress in actions to prevent the recurrence of these problems.

Originally, this review was tentatively scheduled for the November 1994 time frame, then for the first week in February 1995. The February date was missed because of a lack of sufficient notification to DOE on the actual dates of the review. Now, from discussions with your staff, it appears that the review has been postponed indefinitely while the NRC decides how to word the notification letter. Meanwhile, the M&O has failed to pass another audit, specifically on the Corrective Action process for its internal Corrective Action Reports (CARs). At the August 31, 1994 meeting in Las Vegas between the NRC, DOE, and M&O, the NRC expressed strong concern with the M&O design process. This was further expressed in the October 13, 1994 letter from Robert Bernero of the NRC to Dr. Dreyfuss of DOE. However, no follow-up to this concern has happened.

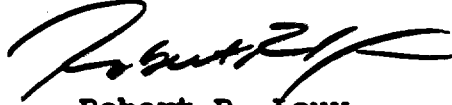
My primary concern is that it appears that the NRC is delaying timely action and letting events overtake the situation, possibly in the hopes of negating the need for any action. Does the NRC still plan to perform this verification review and if so, when?

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It has been more than six months since the design problems with Package 2C were discovered during the audit. There are still outstanding significant CARs from this audit that have not yet been resolved. But work is still progressing on tunnel construction and design activities on other packages are continuing, all under a dubious design control process. I strongly urge the NRC to perform this verification review at the earliest possible moment.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert R. Loux". The signature is stylized with a large, sweeping initial "R" and a long horizontal stroke extending to the right.

Robert R. Loux
Executive Director