



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 29, 1996

Mr. Ronald A. Milner, Director
of Program Management and Integration
Office of Civilian Radioactive Waste Management
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

SUBJECT: OBSERVATION AUDIT OF THE CIVILIAN RADIOACTIVE WASTE MANAGEMENT
SYSTEM MANAGEMENT AND OPERATING CONTRACTOR'S SUPPORT OF THE YUCCA
MOUNTAIN SITE CHARACTERIZATION PROJECT

Dear Mr. Milner:

I am transmitting Nuclear Regulatory Commission Observation Audit Report OA 96-03 of the U.S. Department of Energy, Office of Civilian Radioactive Waste Management, Office of Quality Assurance, Yucca Mountain Quality Assurance Division (YMQAD) performance-based audit of the quality assurance (QA) program of the Civilian Radioactive Waste Management System Management and Operating Contractor (M&O). The audit, YM-ARP-96-07, was conducted on February 26 through March 1, 1996. The audit was conducted at the offices of the Sandia National Laboratories in Albuquerque, New Mexico, and at the offices of the M&O in Las Vegas, Nevada. A representative from the State of Nevada participated as an observer of this audit.

This audit evaluated the implementation of the M&O QA program requirements and the technical activities associated with the generation of the "Three-Dimensional Rock Characteristics Models" (Work Breakdown Structure 1.2.3.9.5).

The audit team concluded that the M&O QA program had been satisfactorily implemented. The correction of three preliminary minor deficiencies regarding documentation was requested by the audit team. The audit team also made seven recommendations. The NRC staff agrees with the audit team conclusion, findings, and recommendations. The NRC staff determined that this audit was effective and that the M&O QA program implementation for the three dimensional modeling effort was adequate.

YMQAD should continue to closely monitor implementation of the M&O QA program to ensure that the deficiencies identified during this audit are corrected in a timely manner and that future QA program implementation is effective. The NRC expects to participate in this monitoring as observers and may perform its own independent audits at a later date to assess M&O implementation of its QA program.

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R. Milner

A written response to this letter and the enclosed report is not required. If you have any questions, please call Bill Belke of my staff on (702) 388-6125.

Sincerely,

15/

John H. Austin, Chief
Performance Assessment and HLW
Integration Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: As stated

- cc: C. Johnson, State of Nevada
- S. Zimmerman, State of Nevada
- J. Meder, Nevada Legislative Counsel Bureau
- M. Murphy, Nye County, NV
- M. Baughman, Lincoln County, NV
- D. Bechtel, Clark County, NV
- P. Niedzielski-Eichner, Nye County, NV
- B. Mettam, Inyo County, CA
- V. Poe, Mineral County, NV
- W. Cameron, White Pine County, NV
- R. Williams, Lander County, NV
- L. Fiorenzi, Eureka County, NV
- J. Hoffman, Esmeralda County, NV
- C. Schank, Churchill County, NV
- L. Bradshaw, Nye County, NV
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- R. Arnold, Pahrump, NV
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- S. Brocoum, YMPO
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- D. Horton, YMPO

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R. Milner

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John O. Thoma for

John H. Austin, Chief
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