



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 9, 1999

Mr. Dwight Shelor, Acting Director
Program Management and Administration
Office of Civilian Radioactive Waste Management
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

**SUBJECT: OBSERVATION AUDIT OF THE CIVILIAN RADIOACTIVE WASTE
MANAGEMENT QUALITY ASSURANCE DIVISION AUDIT M&O-ARP-99-12**

Dear Mr. Shelor:

I am transmitting the U.S. Nuclear Regulatory Commission (NRC) Observation Audit Report OAR 99-12 of the U.S. Department of Energy (DOE), Office of Civilian Radioactive Waste Management (OCRWM), Office of Quality Assurance (OQA), Yucca Mountain Quality Assurance Division (YMQAD) performance based audit of the OCRWM Quality Assurance (QA) program of the Civilian Radioactive Waste Management System Management and Operating (M&O) Contractor. The audit M&O-ARP-99-12 was conducted on July 12-21, 1999, at the M&O offices in Las Vegas, NV.

This audit evaluated the effectiveness of selected design processes, and the quality of the resultant end products supporting License Application Design Selection, Waste Package Design, Engineered Barrier System Design, and the System Description Documents process. Design reports, analyses, and calculations associated with the analyses and reports were evaluated as part of the audit process.

The audit team concluded that the OCRWM QA program had been satisfactorily implemented. As a result of the audit, no Deficiency Reports were issued. The audit team identified two deficiencies during the audit. One was corrected during the course of the audit and the other was another example of a deficient condition already addressed in CAR LVMO-98-C-002. Additionally, there were five recommendations resulting from the audit. The NRC staff agrees with the audit team findings and recommendations.

As discussed in section 4.5 of this report, the M&O agreed to state in writing their position on the applicability of design controls. It should be established to what extent design selection activities fall under the definition of characterization. The NRC staff will review the written position that the M&O is expected to submit to DOE (and DOE is expected to furnish to NRC) and document its position on this issue.

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A written response to this letter and the enclosed report is not required. If you have any questions, please contact Ted Carter of my staff at (301) 415-6684.

Sincerely,

C. W. Reamer, Chief
 High-Level Waste and Performance
 Assessment Branch
 Division of Waste Management
 Office of Nuclear Material Safety
 and Safeguards

Enclosure: As stated

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