

DEC 22 1988

Mr. Ralph Stein, Associate Director
 Office of Systems Integration and Regulations
 Office of Civilian Radioactive Waste Management
 U. S. Department of Energy RW-24
 Washington, D. C. 20545

Dear Mr. Stein:

The purpose of this letter is to transmit an observation audit report by members of the Nuclear Regulatory Commission (NRC) staff on a recently conducted Department of Energy/Yucca Mountain Project Office (DOE/YMPO) audit of Los Alamos National Laboratory (LANL). The staff believes that the audit team performed an acceptable audit which resulted in identifying significant weaknesses in LANL's QA program. However, some weaknesses in the audit process were identified by the staff and are addressed in the body of this report. These weaknesses should not be misconstrued as major findings but rather of sufficient importance to merit corrective measures which, when implemented, should improve even further the effectiveness of future audits.

DOE/YMPO should review the staff observations and provide a response within 30 days of the date of this letter describing how these will be considered in future audits. If you cannot meet this date, please inform the staff of the DOE schedule for responding within ten days of the date of this letter.

If you have any questions please call Mr. John Gilray on FTS 598-6125 or Mr. Joe Holonich on FTS 492-3403.

Sincerely,

ORIGINAL SIGNED BY

John J. Linehan, Director
 Repository Licensing and Quality
 Assurance Project Directorate
 Division of High-Level Waste Management

Enclosure: As stated

cc: C. Gertz, DOE
 R. Loux, State of Nevada

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