

H&N AUDIT REPORT

- 1 -

JAN 23 1989

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:

From November 1, 1988 through November 4, 1988, the U. S. Nuclear Regulatory Commission (NRC) staff participated as observers on the U. S. Department of Energy (DOE)/Yucca Mountain Project Office (YMPO) audit (#S89-1) of Holmes and Narver. The purpose of this observation was to evaluate the YMPO audit such that the NRC staff could gain confidence that DOE and its contractors are properly reviewing and implementing their quality assurance (QA) programs. The NRC staff based their conclusions on direct observations of the auditors, discussions with the audit team, and review of the pertinent audit information (e.g. the audit plan and checklist). The purpose of this letter is to transmit the observation audit report.

The NRC staff has identified several observations that need to be addressed in future DOE/YMPO audits. These are summarized in Section 4.3 of the enclosed report.

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.

The NRC staff utilizes YMPO Audit Observer Inquiry forms to ask questions of the audit team and to evaluate the effectiveness of the audit. In some instances, responses to these have not been received in a timely manner. To help improve this area, this topic will be discussed at the January 25, 1989 QA meeting between NRC, DOE, et.al.

If you have any questions, please call Mr. Joe Holonich on FTS 492-3403 or Mr. Bill Belke on FTS 492-0445.

Sincerely,

ORIGINAL SIGNED BY

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

8901250353 890123
 PDR WASTE
 WM-11 PDC

Enclosure: As stated

cc: C. Gertz, DOE
 R. Loux, State of Nevada
 D. Bechtel, Clark County, NV
 M. Baughman, Lincoln County, NV
 S. Bradhurst, Nye County, NV
 K. Turner, GAO

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