

DEC 15 1989

Mr. Ralph Stein, Associate Director
for Systems Integration and Regulations
Office of Civilian Radioactive Waste Management
U. S. Department of Energy, RW 30
Washington, D. C. 20545

Dear Mr. Stein:

SUBJECT: OBSERVATION AUDIT OF U.S. GEOLOGICAL SURVEY

From August 14 through August 18, 1989, and August 21 and 22, 1989, the U. S. Nuclear Regulatory Commission (NRC) staff participated as observers on the U. S. Department of Energy (DOE)/Yucca Mountain Project Office (YMPO) Quality Assurance (QA) Audit No. 89-4 of the U. S. Geological Survey (USGS) conducted at Denver, Colorado and Las Vegas, Nevada. A post-audit conference for this audit was held in Denver on August 23, 1989.

The NRC staff evaluated the DOE/YMPO QA audit to gain confidence that DOE and USGS are effectively implementing the requirements of their QA programs. The NRC staff based its evaluation of the audit process and the USGS QA program on direct observations of the auditors, discussions with the audit team, and reviews of the pertinent audit information (e.g., audit plan, checklists, and USGS documents) and other available pertinent information. This letter transmits NRC Observation Audit Report No. 89-5 for the DOE/YMPO QA audit of USGS.

The NRC staff has determined that overall DOE/YMPO QA Audit No. 89-4 of USGS was useful but only marginally effective. The programmatic auditors, in general, seemed well-qualified in the QA area and their assignments and checklist items were adequately described in the audit plan. In some instances, the technical auditors did not appear to be fully prepared or have a good understanding of the technical activities they were auditing. The DOE/YMPO QA Audit No. 89-4 of USGS could have benefitted from a better integration of the programmatic and technical portions of the audit. The two portions of the audit seemed independent of each other and thus resulted in making the overall audit less effective.

The DOE/YMPO audit team's objective was to assess the QA and technical adequacy of the USGS YMP work. The audit's coverage of USGS QA program implementation consisted of reviews and evaluations of USGS QA procedures and interviews with the QA personnel to understand and determine the acceptability of the USGS QA program including the capabilities of the QA staff. The reviews and evaluations of USGS technical procedures and study plans, and interviews with the technical personnel were extremely limited. The restrictions due to the Privacy Act prevented the auditors from reviewing and obtaining any objective evidence of the QA and technical personnel's qualifications and training. Furthermore, the implementation of the USGS QA program was very limited and did not allow the audit team to make a determination on the effectiveness of the implementation or acceptability of the QA program. Although these conditions resulted in

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making the overall audit less effective, the audit did allow the DOE/YMPO audit team to make an assessment of the adequacy of the USGS QA controls for the YMP work.

In general, the NRC staff agrees with the preliminary DOE/YMPO audit team conclusion that the USGS QA program has adequate controls in place to continue the YMP work and allow implementation of their QA program. Although the DOE/YMPO audit team identified several deficiencies in the USGS QA program, these deficiencies are not considered that serious and if corrected in a timely manner should not impact the quality of their work. The USGS management has committed to a timely corrective action for all these deficiencies. The DOE/YMPO needs to continue an aggressive schedule of QA audits and surveillances to determine the effectiveness of implementation of the USGS QA program.

To assist the NRC in its continuing review and assessment, the DOE should furnish the NRC staff with its schedule for audits and surveillances of the USGS activities in the next four months. In addition, the NRC staff plans to conduct its own independent audit of the USGS QA program to assess the effectiveness and success of implementation of the USGS QA program. The NRC staff plans to send their on-site representatives (ORs) to Denver, Colorado to gain familiarity with the status of implementation of the USGS QA program and to better prepare the staff for planning and conducting their own independent audit. The OR's trip is proposed during the month of January 1990.

If you have any questions, please call Mark Delligatti of my staff on (301) 492-0430.

Sincerely,



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

Enclosure: As stated

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