



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

AUG 22 1988

Mr. Ralph Stein, Acting Associate Director
Office of Systems Integration and Regulation
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 prepared by members of the Nuclear Regulatory Commission (NRC) staff. Contained in the report are the staff observations on a recently conducted Department of Energy/Waste Management Project Office (DOE/WMPO) quality assurance (QA) audit of the U. S. Geological Survey (USGS). As a result of the observation audit, the staff is concerned that the DOE/WMPO team did not adequately address the overall implementation of the USGS QA program. Not included in the audit was an evaluation of whether the overall USGS QA program is meeting its stated objectives, including areas where Quality Management Procedures (QMPs) are not yet issued, and an attempt to draw overall conclusions using the specific findings identified. It is the understanding of the staff that the DOE/WMPO guidance to its audit teams only addresses the need to confirm compliance with QMPs. The staff does not agree with this philosophy and recommends that in the future, DOE/WMPO include as part of its audit, an investigation and analysis of the overall QA program.

In addition to its concern with the overall audit approach, the staff has several other audit-specific observations that DOE should consider in future audits. These observations, along with a detailed discussion of the audit, are given in the enclosed report. In order for the NRC staff to have confidence that DOE is considering these comments in a timely manner, DOE should provide its response to the recommendations contained in this report within 30 days of the date of this letter.

With respect to the conduct of the audit team, the staff has identified several recommendations that it believes should be considered in future audits. These observations are included in the enclosed report. Overall, the staff observed that the DOE audit team was persistent in its investigation of confirming that those pieces of the USGS QA program that are in place are being implemented. Although this investigation was consistent with DOE guidance, the staff considers the DOE guidance incomplete since it only addresses a piece of the effort needed to perform a good audit. Hence, no matter how the team performed, the job it did was not complete.

In addition to its observations on the scope of the audit, the staff also is concerned that improvements are necessary to ensure the implementation of an effective QA program by the USGS. Although the staff believes that there are several positive attributes to the USGS program, the status of the QA program today is such that the NRC staff does not have the confidence that the data collected under the program will support a licensing decision. This conclusion is based on the staff observations of the USGS program during the Menlo Park and Denver audits. It is the position of the staff that its observations on

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the USGS program represent additional issues, not identified by the DOE/WMPO teams, that warrant attention. Therefore, DOE should also provide its response to the staff observations on the USGS program within 30 days of the date of this letter.

Because work being performed for WMPO by the USGS deals with site characterization, it is critical that the USGS QA program meet the applicable regulatory requirements and be properly implemented. Because of the present status of the QA program and its implementation, it appears that DOE/WMPO should plan to conduct more frequent audits of the USGS. If you have any questions, please contact the team leader for the NRC observation team, Mr. Joe Holonich on FTS 492-3403.

Sincerely,

John J. Linehan, Acting Chief
Operations Branch
Division of High-Level Waste Management

Enclosure: As stated

cc: C. Gertz, DOE
R. Loux, State of Nevada
S. Zimmerman, State of Nevada
S. Klein, SAIC
L. Barrett, DOE

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Because work being performed for WMPO by the USGS deals with site characterization, it is critical that the USGS QA program meet the applicable regulatory requirements and be properly implemented. Hence, it is essential that the USGS QA plan be formally submitted by DOE to the staff so that a detailed review can be performed. Because of the present status of the QA program and its implementation, it appears that DOE/WMPO should plan to conduct more frequent audits of the USGS. In addition, at least one audit of the program may need to be performed by the NRC staff. If you have any questions, please contact the team leader for the NRC observation team, Mr. Joe Holonich on FTS 492-3403.

Sincerely,

John J. Linehan, Acting Chief
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