

November 9, 2006

Mr. Mark H. Williams, Director
Regulatory Authority Office
Office of Civilian Radioactive Waste Management
U.S. Department of Energy
1551 Hillshire Drive
North Las Vegas, NV 89134-6321

SUBJECT: U.S. DEPARTMENT OF ENERGY RESPONSE TO THE U. S. NUCLEAR
REGULATORY COMMISSION OBSERVATION AUDIT REPORT
NO. OAR-05-05, OBSERVATION AUDIT OF BECHTEL SAIC COMPANY, LLC
INTERNAL AUDIT BQAP-BSC-05-07, DATED JANUARY 9, 2006

Dear Mr. Williams,

Thank you for your letter, dated September 11, 2006, in response to our letter and Audit Observation Report, OAR-05-05, dated January 9, 2006, concerning the internal audit performed by Bechtel SAIC Company, LLC. The U.S. Nuclear Regulatory Commission (NRC) staff's audit observations documented a number of issues related to the audit conducted August 15-31, 2005, at the U. S. Department of Energy facilities in Las Vegas, Nevada, and at Lawrence Livermore Laboratories in Livermore, California.

We have completed an initial review of your response to the NRC staff's identified audit observation inquiries, weaknesses, and deficiencies described in the audit observation report. Based on this initial review, we have determined that additional NRC review will be needed regarding several of the responses. When we have completed these additional reviews, we will send a written response to your office, about the results of our reviews, the need for additional information, or clarification regarding your response.

If you have any questions, please contact Tom Matula of my staff at 301-415-6700.

Sincerely,

/RA/

Aby S. Mohseni, Deputy Director
Licensing and Inspection Directorate
Division of High-Level Waste Repository Safety
Office of Nuclear Material Safety
and Safeguards

Letter to M. Williams from A. Moshzeni dated: November 9, 2006

cc:

A. Kalt, Churchill County, NV	A. Elzeftawy, Las Vegas Paiute Tribe
R. Massey, Churchill/Lander County, NV	J. Treichel, Nuclear Waste Task Force
I. Navis, Clark County, NV	W. Briggs, Ross, Dixon & Bell
E. von Tiesenhausen, Clark County, NV	R. Murray, DOE/OCRWM
G. McCorkell, Esmeralda County, NV	G. Runkle, DOE/Washington, D.C.
R. Damele, Eureka County, NV	C. Einberg, DOE/Washington, D.C.
L. Marshall, Eureka County, NV	S. Gomberg, DOE/Washington, D.C.
A. Johnson, Eureka County, NV	W. J. Arthur, III , DOE/OCRWM
S. Schubert, Sen. Reid's Office	R. Dyer, DOE/OCRWM
M. Yarbrow, Lander County, NV	J. Espinoza, GAO
J. Donnell, DOE/OCRWM	A. Gil, DOE/OCRWM
M. Baughman, Lincoln County, NV	W. Boyle, DOE/OCRWM
L. Mathias, Mineral County, NV	M. Ulshafer, DOE/OCRWM
J. Saldarini, BSC	S.A. Wade, DOE/OCRWM
M. Henderson, Cong. J. Gibbon's Office	C. Hanlon, DOE/OCRWM
D. Swanson, Nye County, NV	T. Gunter, DOE/OCRWM
M. Simon, White Pine County, NV	A. Benson, DOE/OCRWM
E. Sproat, DOE/OCRWM	N. Hunemuller, DOE/OCRWM
D. Cornwall, NV Congressional Delegation	P. Harrington, OPM&E
T. Story, NV Congressional Delegation	M. Mason, BSC
R. Herbert, NV Sen. Reid's Office	S. Cereghino, BSC
M. Murphy, Nye County, NV	B. Gattoni, Burns & Roe
R. Lambe, NV Congressional Delegation	E. Mueller, BSC
K. Kirkeby, NV Congressional Delegation	J. Gervers, Clark County, NV
R. Loux, State of NV	D. Beckman, BSC/B&A
S. Frishman, State of NV	L. Rasura-Alfano, Lincoln County, NV
S. Lynch, State of NV	J. Kennedy, Timbisha Shoshone Tribe
P. Guinan, Legislative Counsel Bureau	B. Durham, Timbisha Shoshone Tribe
R. Clark, EPA	R. Arnold, Pahrump Paiute Tribe
R. Anderson, NEI	J. Birchim, Yomba Shoshone Tribe

cc: (Continued)

R. McCullum, NEI

S. Kraft, NEI

J. Kessler, EPRI

D. Duncan, USGS

K. Skipper, USGS

W. Booth, Engineering Svcs, LTD

C. Marden, BNFL Inc.

J. Bacoch, Big Pine Paiute Tribe of the Owens Valley

P. Thompson, Duckwater Shoshone Tribe

T. Kingham, GAO

D. Feehan, GAO

E. Hiruo, Platts Nuclear Publications

G. Hernandez, Las Vegas Paiute Tribe

K. Finfrock, NV Congressional Delegation

P. Johnson, Citizen Alert

M. Williams, DOE/OCRWM

J. Williams, DOE/Washington, DC

A. Robinson, Robinson-Seidler

M. Plaster, City of Las Vegas

S. Rayborn, Sen. Reid's Office

L. Lehman, T-REG, Inc.

B.J. Garrick, NWTRB

T. Feigenbaum, BSC

M. Urie, DOE

J. Brandt, Lander County

R. Holland, Inyo County

B. Sagar, CNWRA

V. Trebules, RW/DOE

R. Warther, DOE/OCRWM

B. Neuman, Carter Ledyard & Milburn L.L.P.

R. Holden, NCAI

C. Meyers, Moapa Paiute Indian Tribe

C. Dahlberg, Fort Independence Indian Tribe

D. Vega, Bishop Paiute Indian Tribe

Egan, Fitzpatrick, Malsch, PLLC

J. Leeds, Las Vegas Indian Center

J. C. Saulque, Benton Paiute Indian Tribe

C. Bradley, Kaibab Band of Southern Paiutes

R. Joseph, Lone Pine Paiute-Shoshone Tribe

L. Tom, Paiute Indian Tribes of Utah

E. Smith, Chemehuevi Indian Tribe

D. Buckner, Ely Shoshone Tribe

V. Guzman, Walker River Paiute

D. Eddy, Jr., Colorado River Indian Tribes

M. Boyd, Public Citizen

J. Wells, Western Shoshone National Council

D. Crawford, Inter-Tribal Council of NV

I. Zabarte, Western Shoshone National Council

S. Devlin

G. Hudlow

D. Irwin, Hunton & Williams

P. Golan, DOE

M. Rice, Lincoln County, NV

G. Hellstrom, DOE

S. Joya, Sen. Ensign's Office

M. Gaffney, Inyo County

L. Desell, RW/DOE

R. List, Esmeralda County

D. Curran, Harmon, Curran, Spielberg & Eisenberg, L.L.P.

Lisa Mascaro, Washington Correspondent
Las Vegas Sun, Washington, DC

November 9, 2006

Mr. Mark H. Williams, Director
Regulatory Authority Office
Office of Civilian Radioactive Waste Management
U.S. Department of Energy
1551 Hillshire Drive
North Las Vegas, NV 89134-6321

SUBJECT: U.S. DEPARTMENT OF ENERGY RESPONSE TO THE U. S. NUCLEAR
REGULATORY COMMISSION OBSERVATION AUDIT REPORT NO. OAR-05-05,
OBSERVATION AUDIT OF BECHTEL SAIC COMPANY, LLC INTERNAL AUDIT
BQAP-BSC-05-07, DATED JANUARY 9, 2006

Thank you for your letter, dated September 11, 2006, in response to our letter and Audit Observation Report, OAR-05-05, dated January 9, 2006, concerning the internal audit performed by Bechtel SAIC Company, LLC. The U.S. Nuclear Regulatory Commission (NRC) staff's audit observations documented a number of issues related to the audit conducted August 15-31, 2005, at the U. S. Department of Energy facilities in Las Vegas, Nevada, and at Lawrence Livermore Laboratories in Livermore, California.

We have completed an initial review of your response to the NRC staff's identified audit observation inquiries, weaknesses, and deficiencies described in the audit observation report. Based on this initial review, we have determined that additional NRC review will be needed regarding several of the responses. When we have completed these additional reviews, we will send a written response to your office, about the results of our reviews, the need for additional information, or clarification regarding your response.

If you have any questions, please contact Tom Matula of my staff at 301-415-6700.

Sincerely,

/RA/

Aby S. Mohseni, Deputy Director
Licensing and Inspection Directorate
Division of High-Level Waste Repository Safety
Office of Nuclear Material Safety
and Safeguards

cc: See attached list.

DISTRIBUTION:

HLWRS r/f	NMSSr/f	ACNW	VMehrhoff	CNWRA	LChandler
MYoung	JMoore	MZobler	TCombs	BSpitzberg	WMaier
DMcIntyre	RIrish	AMauer	HLWRS Staff		

ML063000242

OFC	HLWRS	HLWRS	OSR	HLWRS	TECH ED	OGC	HLWRS
NAME	JParrott*	SRohrer*	BLatta*	MWong	EKraus*	JMoore	AMohseni
DATE	10/27/06	10/30/06	10/31/06	11/07/06	10/31/06	11/08/06	11/09/06

OFFICIAL RECORD COPY