

January 19, 2007

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. NUCLEAR REGULATORY COMMISSION OBSERVATION AUDIT
REPORT OAR-07-01, OBSERVATION AUDIT OF THE OFFICE OF CIVILIAN
RADIOACTIVE WASTE MANAGEMENT AUDIT OQA-BSC-07-03 OF
ASSESSMENT ACTIVITIES, CORRECTIVE ACTIONS, AND TRENDING
PROGRAMS

Dear Mr. Williams:

Enclosed is the U.S. Nuclear Regulatory Commission (NRC) Observation Audit Report OAR-07-01 regarding the Office of Civilian Radioactive Waste Management (OCRWM) audit OQA-BSC-07-03 conducted on December 11-20, 2006, in Las Vegas, Nevada. The audit scope included assessment of activities, corrective actions, and trending programs conducted by OCRWM, Bechtel SAIC Company, LLC (BSC), and Sandia National Laboratories Lead Laboratory organizations. The NRC observers assessed the effectiveness of the audit team and the audit process.

The audit team identified five conditions adverse to quality relating to the audit scope, one of which is a significant condition, and determined that, overall, assessment activities, corrective actions, and trending programs were ineffective. The audit team also identified two conditions adverse to quality unrelated to the scope of the audit, several notable practices, and recommendations for improvements. The observers determined that the audit team performed effectively and met the objectives of the audit.

The observers agreed with the audit team's conclusions and findings. In particular, the observers agreed with the identification of a significant adverse condition to quality (CR 9774) regarding the overall Corrective Action Program (CAP), which includes trending. The observers noted that the Department of Energy (DOE) issued a Process Improvement Plan (PIP) to improve the effectiveness of the CAP in October 2006. The observers consider the PIP to be a quality-affecting activity that should be controlled under CR 9774.

M. Williams

2

A written response to this letter and the enclosed report is not required. The staff will continue to interface with DOE and follow the actions BSC is taking to address the issues identified during this audit. If you have any questions, please contact Thomas Matula at (301) 415-6700.

Sincerely,

/RA/

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

Enclosure:

U.S. Nuclear Regulatory Commission
Observation Audit Report OAR-07-01,
Observation Audit of the Office of Civilian
Radioactive Waste Management Audit
OQA-BSC-07-03 of Assessment
Activities, Corrective Actions, and Trending
Programs

cc: See attached list

M. Williams

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DATE	01/10/07	01/18/07	01/18/07	01/19/07

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Letter to Mark H. Williams from Aby Mohseni dated: January 19, 2007

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D. Buckner, Ely Shoshone Tribe

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M. Boyd, Public Citizen

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D. Crawford, Inter-Tribal Council of NV

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