

May 18, 2007

Robert R. Loux, Executive Director
Agency For Nuclear Projects
Office of the Governor
State of Nevada
1761 E. College Parkway, Suite 118
Carson City, NV 89706

SUBJECT: CHARACTERIZATION OF QUALITY ASSURANCE FINDINGS

Dear Mr. Loux:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your May 2, 2007, letter to Chairman Dale E. Klein. In your letter, you express concern about the characterization of findings described in the NRC April 20, 2007, Observation Audit Report OAR-07-02 (OAR).

As discussed in OAR-07-02, on March 12-22, 2007, the U.S. Department of Energy (DOE) staff conducted an audit of the control of technical data used for the Yucca Mountain Project. NRC staff observed DOE's audit to determine the effectiveness of the DOE audit team. During the audit, the DOE auditors identified some technical data that appeared not to comply with DOE quality assurance requirements. Details of the DOE auditors' findings are in the DOE April 11, 2007, Report for Audit OQA-OCRWM-07-19. At the end of the audit, the DOE auditors characterized the identified findings as "minor," solely in the context of the audit objectives and scope, and not finding an indication of systemic failure. Because the DOE auditors initiated Condition Reports documenting the identified findings, DOE must evaluate and correct them per DOE's corrective action process. NRC staff agreed with the DOE auditors' characterization of the findings in the context of the audit objectives.

NRC staff will continue to observe DOE activities to prepare for the review of DOE's license application, if DOE submits a license application and NRC accepts it for review. NRC expects DOE to use qualified data to support the technical bases in its potential Yucca Mountain license application.

R. Loux

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If you have any questions, please contact Mr. Thomas Matula, Senior Quality Assurance Engineer, in the Division of High-Level Waste Repository Safety, 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.

Letter to Robert R. Loux from Michael F. Weber dated: May 18, 2007

cc:

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If you have any questions, please contact Mr. Thomas Matula, Senior Quality Assurance Engineer, in the Division of High-Level Waste Repository Safety, at 301-415-6700.

Sincerely,

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Aby S. Mohseni, Deputy Director
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cc: See attached list.

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