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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 19, 2019

Todd A. Shrader, Manager
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Department of Energy
P.O. Box 3090
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Bruce C. Covert, Project Manager
Nuclear Waste Partnership, LLC
P.O. Box 2078
Carlsbad, New Mexico 88221-2078

RE: NMED APPROVAL OF THE SANDIA NATIONAL LABORATORY/CENTRAL CHARACTERIZATION PROGRAM (SNL/CCP) FINAL AUDIT REPORTS: AUDIT A-14-26, AUDIT A-15-25, AUDIT A-17-10, AND AUDIT A-17-24 WASTE ISOLATION PILOT PLANT EPA I.D. NUMBER NM4890139088

Dear Messrs. Shrader and Covert:

On December 16, 2014 and March 05, 2015 the New Mexico Environment Department ("NMED") notified the Department of Energy ("DOE") Carlsbad Field Office ("CBFO") and Nuclear Waste Partnership LLC ("NWP", collectively the "Permittees") of its decision to suspend the review and approval of final audit reports that had been submitted to NMED, and memorialized that all future final audit report reviews would be suspended until such time that there was compliance with, or resolution of Administrative Compliance Order ("ACO") 14-21. On February 28, 2017, NMED notified the Permittees that review of final audit reports would once again commence as a result of NMED's review of corrective actions that were taken by the Permittees in accordance with the January 22, 2016 Stipulated Final Order and Settlement Agreement associated with ACO 14-21. This letter addresses the final audit reports from the Sandia National Laboratory/Central Characterization Program ("SNL/CCP").

NMED received the Final Audit Report for Audit A-14-26 on November 20, 2014, in a letter dated November 18, 2014, the Final Audit Report for Audit A-15-25 on October 30, 2015, in a letter dated October 29, 2015, Final Audit Report for Audit A-17-10 on April 6, 2017, in a letter dated

April 4, 2017, and Final Audit Report for Audit A-17-24 on October 16, 2017, in a letter dated October 10, 2017. The Permittees were required to submit these Audit Reports under the Waste Isolation Pilot Plant (“WIPP”) Hazardous Waste Facility Permit (“Permit”), as specified in Permit Section 2.3.2.3.

The intended scope of Audits A-14-26, A-15-25, A-17-10, and A-17-24 were to ensure the continued adequacy, implementation, and effectiveness of the SNL/CCP waste characterization for remote-handled (“RH”) SCGs S5000 debris wastes relative to the requirements of the WIPP Permit.

The Final Audit Reports consisted of the following items:

- A narrative report;
- Completed copies of the relevant Permit Attachment C6 checklists;
- List of final SNL/CCP standard operating procedures; and
- Objective evidence examined during the audit.

NMED representatives observed Audit A-14-26 on August 5-7, 2014, Audit A-15-25 on August 18-20, 2015, Audit A-17-10 on November 15 - 17, 2016, and Audit A-17-24 on July 17 - 20, 2017 and have examined the audit reports for evidence of compliance with the requirements of Permit Sections 2.3.1 (Waste Analysis Plan (“WAP”)) and 2.3.2 (Audit and Surveillance Program).

Attached are NMED's general comments and conclusions based upon observation of the audits and reviews of the Final Audit Reports. Based on NMED's reviews and conclusions, NMED hereby approves SNL/CCP Final Audit Report A-14-26, Final Audit Report A-15-25, Final Audit Report A-17-10, and Final Audit Report A-17-24. NMED also amends the previous final audit report approval for Final Audit Report A-12-15, issued by NMED on September 20, 2013, to include only those waste forms and processes evaluated by these recertification audits. NMED notes that Final Audit Report A-17-24 indicates that the implementation and effectiveness of all aspects of the SNL/CCP waste characterization activities were indeterminate during the applicable timeframe of the audit review.

The audit report approvals are approvals of the broad programmatic implementation of waste characterization requirements at SNL/CCP, and do not constitute approval of individual waste characterization procedures, or inappropriate applications of those procedures. These approvals do not relieve the Permittees of their obligation to comply with the requirements of the Permit or other applicable laws and regulations.

On June 7, 2018, the Permittees submitted to NMED a Request for Extension of Time (“Request”) to perform the Annual Recertification Audit for SNL/CCP. The Permittees state in the Request that work activities at the SNL/CCP were last performed in August of 2014, with the overall program being suspended in federal fiscal year 2015, at which time shipments of waste to WIPP were discontinued. Desktop recertification audits have been performed annually since the suspension of SNL/CCP through July of 2017, with the last Audit, Audit A-17-24, indicating that

Messrs. Shrader and Covert
SNL/CCP A-14-26, A-15-25, A-17-10, and A-17-24
February 19, 2019
Page 3

operations continue to be in a state of suspension. The Request further states that due to the cessation of activities, DOE is proposing to suspend the certification for the SNL/CCP program and is proposing a suspension of annual recertification audits until waste characterization activities have resumed at the SNL host site. According to the Request, once waste characterization activities have resumed, DOE will conduct a full site-specific audit. NMED approved this Request on June 14, 2018. NMED reiterates that, once waste characterization activities resume at the SNL/CCP, the Permittees will notify NMED and conduct a full site-specific audit at the Sandia host site to evaluate compliance with the Permit, pursuant to Permit Part 2, Section 2.3.2; Attachment C, Section C-5a(3); and Attachment C6. The Permittees shall notify NMED once any recertification audit has been scheduled pursuant to Permit Part 2, Section 2.3.2.2.

If you have any questions regarding this matter, please contact Ricardo Maestas of my staff at (505) 476-6050.

Sincerely,



John E. Kieling
Chief
Hazardous Waste Bureau

cc: R. Maestas, NMED HWB
S. Lucas-Kamat, NMED DOEOB
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File: WIPP '19

**NMED Comments and Conclusions for the SNL/CCP
Final Audit Reports A-14-26, A-15-25, A-17-10, and A-17-24**

SNL/CCP Audit A-14-26

Interim Audit Report A-14-26, issued by DOE on September 5, 2014 indicated that the audit team identified ten non-WAP related concerns. Of the ten, one was a condition adverse to quality (“CAQ”) resulting in the issuance of corrective action report (“CAR”) 14-057. Three deficiencies requiring remedial corrective action were corrected during the audit (CDA). Two Observations and four Recommendations were offered for management consideration.

Final Audit Report A-14-26, issued by DOE on November 18, 2014, verified that that SNL/CCP program for characterization and certification activities continues to be adequate, satisfactorily implemented, and effective with regard to Permit requirements. The audit team identified no WAP-related concerns or deficiencies during the audit.

NMED concludes that Final Audit Report A-14-26 demonstrates that SNL/CCP has implemented the applicable characterization requirements of the WAP during the applicable timeframe.

SNL/CCP Audit A-15-25

Interim Audit Report A-15-25, issued by DOE on September 8, 2015, indicated that the audit team identified two non-WAP related concerns. One resulted in the issuance of CAR 15-062 and one Recommendation was offered to SNL/CCP management for consideration.

Final Audit Report A-15-25, issued by DOE on October 29, 2015, indicated that the audit team verified that that SNL/CCP program for characterization and certification activities continues to be adequate, satisfactorily implemented, and effective with regard to Permit requirements. The audit team identified no WAP-related concerns or deficiencies during the audit. No waste characterization activities were being performed at SNL during the audit.

NMED concludes that Final Audit Report A-15-25 demonstrates that SNL/CCP has implemented the applicable characterization requirements of the WAP during the applicable timeframe.

SNL/CCP Audit A-17-10

Interim Audit Report A-17-10, issued by DOE on December 7, 2016, indicated that the audit team identified one non-WAP related concern that was corrected during the audit.

Final Audit Report A-17-10, issued by DOE on April 4, 2017, indicated that the audit team verified that that SNL/CCP program for characterization and certification activities continues to be adequate, satisfactorily implemented, and effective with regard to Permit requirements. The audit team identified no WAP-related concerns or deficiencies during the audit.

NMED concludes that Final Audit Report A-17-10 demonstrates that SNL/CCP has implemented the applicable characterization requirements of the WAP during the applicable timeframe.

SNL/CCP Audit A-17-24

Interim Audit Report A-17-24, issued by DOE on August 14, 2017 identified no concerns.

Final Audit Report A-17-24, issued by DOE on October 10, 2017, indicated that the audit team verified that SNL/CCP waste characterization activities have been suspended, and no characterization activities have occurred since the previous Recertification Audit A-17-10. The audit team identified no WAP-related concerns or deficiencies during the audit. The results of Audit A-17-24 confirmed that SNL/CCP operations are in a state of suspension.

The Final Audit Report further indicated that once waste characterization activities resume at the SNL host site location, DOE will conduct a recertification audit as a basis for reinstating authority to perform waste characterization activities and continue waste shipments from the SNL host site location to WIPP. This future audit will evaluate compliance with all NMED permit, quality assurance, and any other requirements currently applicable to waste characterization/certification and shipping activities. Since SNL/CCP has suspended waste characterization activities, the audit team was unable to determine the implementation of plans and procedures or the effectiveness of characterization activities. Therefore, the implementation and effectiveness of all aspects of the SNL/CCP waste characterization activities are indeterminate.

NMED concludes that Final Audit Report A-17-24 demonstrates that the implementation and effectiveness of all aspects of the SNL/CCP waste characterization activities are indeterminate during the applicable timeframe.