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RYAN FLYNN  
Cabinet Secretary  
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**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

December 16, 2014

Jose Franco, Manager  
Carlsbad Field Office  
Department of Energy  
P.O. Box 3090  
Carlsbad, New Mexico 88221-3090

Robert L. McQuinn, Project Manager  
Nuclear Waste Partnership, LLC  
P.O. Box 2078  
Carlsbad, New Mexico 88221-2078

**RE: STATUS OF THE IDAHO NATIONAL LABORATORY/CENTRAL CHARACTERIZATION  
PROGRAM FINAL AUDIT REPORT, AUDIT A-14-18  
WASTE ISOLATION PILOT PLANT  
EPA I.D. NUMBER NM4890139088**

Dear Messrs. Franco and McQuinn:

On August 19, 2014, the New Mexico Environment Department (“NMED”) received the Final Audit Report of the Idaho National Laboratory/Central Characterization Project (“INL/CCP”) Audit Number A-14-18 (“Audit Report”), from the Department of Energy’s Carlsbad Field Office (“CBFO”). CBFO and Nuclear Waste Partnership LLC (“the Permittees”) were required to submit this Audit Report under the Waste Isolation Pilot Plant (“WIPP”) Hazardous Waste Facility Permit as specified in Permit Section 2.3.2.3. The intended scope of this audit was to ensure the adequacy, implementation, and effectiveness of the INL/CCP waste characterization for contact-handled (“CH”) Summary Category Group (“SCGs”) S3000 homogeneous solids, S4000 soils/gravel, and S5000 debris wastes and remote-handled (“RH”) SCGs S3000 homogeneous solids and S5000 debris wastes relative to the requirements of the WIPP Permit.



The Audit Report consisted of the following items:

- A narrative report (hardcopy and electronic)
- Final INL/CCP standard operating procedures for characterization of the waste categories listed above (hardcopy and electronic)
- Objective evidence examined during the audit (hardcopy and electronic):
  - General Information
  - Acceptable Knowledge (AK)
  - Real-time Radiography (RTR)
  - Visual Examination (VE)

NMED Representatives observed the audit on June 3-5, 2014. NMED has examined the Audit Report for evidence of compliance with the requirements of Permit Sections 2.3.2 (Audit and Surveillance Program) and 2.3.1 (Waste Analysis Plan ["WAP"]).

During the audit, NMED raised concerns regarding packaging procedures used by the INL contract waste handlers. The site-specific procedures were not offered for audit activities and NMED was not satisfied with explanations provided by CCP. NMED subsequently submitted an Observer Inquiry to CBFO on August 5, 2014 to seek resolutions to NMED's concerns.

On September 8, 2014, NMED received responses to the Observer Inquiry in a letter dated September 4, 2014. The response contained inadequate information and data requested by NMED in order to fully evaluate the final audit report.

On December 6, 2014, NMED issued the Permittees Administrative Compliance Order HWB-14-21 ("ACO 14-21"). Paragraphs 120 and 121 of ACO 14-21 provide that:

*120. "No later than 60 days after this Order becomes final, the Respondents shall provide to NMED a summary of potential modifications to procedural and non-procedural documents necessary to prevent any recurrence of violations described herein, including but not limited to:*

*a) Procedures that ensure that the Respondents develop or revise methodologies to ensure that documentation related to the Permit Conditions cited within this Order (e.g., Acceptable Knowledge documents, changes in waste management procedures, waste generation, waste treatment, waste packaging, waste repackaging, waste remediation, waste stream delineation, and waste characterization procedures) is accurate, sufficient, and up-to-date. The procedures shall address the implementation of a series of reviews and communications within and between appropriate groups (e.g., Respondents, Central Characterization Program ("CCP"), Difficult Waste Team, subcontractors, generator sites, and site subcontractors);*

*121. No later than 60 days after this Order becomes final, the Respondents shall revise and submit to NMED the Interface Agreements between CCP and all generator sites to ensure that the appropriate organizations and subject matter experts communicate*

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*effectively and timely regarding changes in waste management procedures, waste generation, waste treatment, waste packaging, waste repackaging, waste remediation, waste stream delineation, and waste characterization procedures.”*

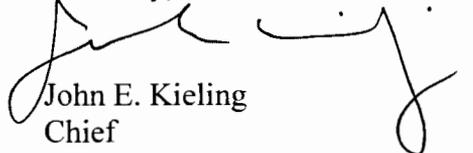
Additionally, the CBFO September 4, 2014 cover letter for the Observer Inquiry response contained the following statement:

*“Based on our responses to the Observer Inquiry and the Final Audit Report, A-14-18, the DOE/CBFO has determined that the INL/CCP program meets the requirements of the Hazardous Waste Facility Permit. However, based on the events and NMED concerns we are developing corrective actions that include review of procedures implementing requirements of the Waste Isolation Pilot Plant Hazardous Waste Facility Permit WAP and clarifying and strengthening procedures as required.”*

NMED hereby suspends review of the INL/CCP Final Audit Report and the Permittees' responses to the Observer Inquiry until such time that the Permittees have demonstrated compliance with ACO 14-21, Paragraphs 120 and 121, and the resolution of WAP related communication issues between the Permittees and generator sites that may have been discovered during any formal and informal investigations.

If you have any questions regarding this matter, please contact Ricardo Maestas at (505) 476-6050 or myself at (505) 476-6035.

Sincerely,



John E. Kieling  
Chief

Hazardous Waste Bureau

cc: B. Tongate, Deputy Secretary NMED  
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