



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 18, 1996

Mr. Edward M. Davis
President and Chief Executive Officer
NAC International, Inc.
655 Engineering Drive
Norcross, GA 30092

SUBJECT: NRC INSPECTION REPORT NO. 71-0018/96-210 - 72-1015/96-209
NOTICE OF NONCONFORMANCE

Dear Mr. Davis:

On September 23-26, 1996, the U.S. Nuclear Regulatory Commission performed an inspection at your facility. The enclosed report presents the results of that inspection. Since a number of findings identified during the inspection concern both your transportation and dry storage activities, one inspection report is issued and will be placed in dockets 71-0018 and 72-1015, respectively.

This inspection was performed to examine transportation and dry storage activities at NAC International, Inc. (NAC), regarding the requirements of 10 CFR Parts 21, 71, and 72. During the conduct of the inspection, the inspectors identified significant safety-related issues concerning the implementation and effectiveness of your quality assurance program. During the exit meeting on September 26, 1996, and the telephone conversation between you and Mr. C. Haughney, Spent Fuel Project Office, NMSS, on September 30, 1996, NAC committed to take certain immediate actions. Our understanding of these actions is documented in our Confirmatory Action Letter (CAL) dated September 30, 1996.

In your letter dated October 7, 1996, you presented your Action Plan to ensure safety and reliability regarding the transportation packagings and dry storage systems for which NAC is responsible. As part of NAC's Action Plan, NAC committed, in Action Item 1, to "Reconfirm the adequacy of the maintenance for each transportation cask prior to its next use." On October 30-31, 1996, a follow up to our September 23-26, 1996, inspection was performed. This inspection was performed to evaluate the annual maintenance and preuse testing of five Model NAC-LWTs. During the inspection, the inspector determined that maintenance and testing activities were being performed adequately from a technical standpoint, but that procedure compliance was lacking. NAC management consequently directed that work be stopped, procedures be revised, and personnel be retrained before maintenance and testing activities of the NAC-LWTs are resumed. We will continue to monitor these maintenance and testing activities.

Also as part of the commitments detailed in your Action Plan, the following Action Items are still to be completed:

- Action Item 2 - Verify, and upgrade as necessary, the accuracy and completeness of the analytical documentation used as the basis to support basic designs and changes for all transportation packagings and dry storage systems as specified in the Certificates of Compliance and Topical Safety Analysis Reports for the time period 1990 to present.

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Mr. Edward M. Davis

- Action Item 3 - Strengthen the NAC Quality Assurance program and implementing procedures, and provide additional personnel training and awareness of the Quality Assurance program requirements. This includes corrective actions of all NAC Audit Findings.

Please notify us in writing when these Action Items are completed.

Regarding the inspection, the inspectors found that the implementation of your quality assurance program did not meet the requirements of 10 CFR Part 71, Subpart H, and 10 CFR Part 72, Subpart G; the design control process was found to be inadequate; and the maintenance program was found to be unacceptable. These findings are significant in that they are safety-related and may impact the reliability and performance of NAC's transportation packagings and dry storage systems. The specific findings and references to the applicable requirements are identified in the enclosed Inspection Report.

Please provide us within 30 days from the date of this letter a written statement in accordance with the instructions specified in the enclosed Notice of Nonconformance. We will consider extending the response time if you can show good cause for us to do so.

In accordance with 10 CFR 2.790 of NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

Should you have any questions about this inspection, we will be pleased to discuss them with you.

Sincerely,



for Susan Frant Shankman, Chief
Transportation Safety and
Inspection Branch
Spent Fuel Project Office, NMSS

Docket Nos.: 71-0018 and 72-1015

Enclosures: NRC Inspection Report No. 71-0018/96-210 - 72-1015/96-209
Notice of Nonconformance

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Reviewed by E. Kraus 11/7/96

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