Nuclear Engineering Company, Inc.

9200 SHELBYVILLE ROAD. SUITE 526 · P. O. BOX 7246

LOUISVILLE, KENTUCKY 40207 PHONE (502) 426-7160 16

May 7, 1979

Mr. Charles E. MacDonald, Chief
Transportation Branch
Division of Fuel Cycle and Material
    Safety
U.S. Nuclear Regulatory Commission
Washington, D.C.   20555

DOCKET 71-6058
REPORT OF NONCONFORMANCE WITH
DESIGN SPECIFICATION

Dear Mr. MacDonald:

This letter supplements previous reports to you from the
Union Carbide Corporation advising that certain shipping casks
which were intended to comply with the provisions of Certificate
of Compliance No. 6058 have been found not to conform with
certain of those provisions.

On learning of this situation, Nuclear Engineering Company
placed all three casks it owns in an "out-of-service" status
until detailed inspection could be made to determine whether
similar deficiencies existed.

As a result of our inspections to date, we have determined
that Unit 1 has been constructed in compliance with the Certifi-
cate of Compliance. At some point in time subsequent to initial
fabrication of the package, a thin coating of stainless steel
was applied to those surfaces of the cask exposed to the weather
in order to minimize corrosion. This thin veneer is similar to
paint and does not effect the safety analysis of the package.
The cask has been returned to service.

The inspection of Unit 2 to date has been inconclusive
and consequently the package remains out-of-service pending
further inspection.

Unit 3 has the same deficiencies as the Union Carbide units
and is continuing in an out-of-service status pending action
by the Nuclear Regulatory Commission on Union Carbide's request
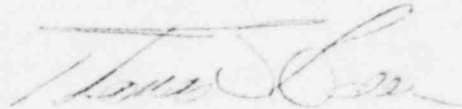
Mr. Charles E. MacDonald
May 7, 1979

Page 2

for amendment of the Certificate of Compliance.

Please feel free to contact me directly should you desire
any additional information.

Sincerely,

NUCLEAR ENGINEERING COMPANY, INC.

Thomas S. Baer
Vice President

TSB:wm

cc: Union Carbide
      Protective Packaging, Inc.

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