


April 19, 2002

MEMORANDUM TO: Robert O'Connell  
Senior Allegation Coordinator, NMSS

FROM: A. Kock   
Allegation Coordinator, RIII

SUBJECT: TRANSFER OF CONCERNS 4 AND 5 (RIII-01-A-0174) TO NMSS FOR  
RESOLUTION

On February 28, 2002, Region III received allegations regarding welding deficiencies in spent fuel storage casks manufactured by vendors and use of materials by spent fuel cask vendors which were not approved. As we discussed on April 18, 2002, since these issues relate to vendor activities which may be generic, the allegations are being referred to NMSS for resolution.

A copy of our transcribed interview with the concerned individual (CI) during which the concerns were discussed and the status letter to the CI acknowledging these concerns are included. The letter informed the CI that resolution of the issues had been assigned to NMSS. With the issuance of this letter, Region III concerns 4 and 5 have been closed. Please inform me of your new allegation number (E-mail or memo) so I can update the Region III AMS file.

Attachments: As stated

A/25  
(29)

**ENCLOSURE**

**RIII-2001-A-0174**

**Concern 4:**

Wide-ranging welding deficiencies existed in spent fuel storage casks manufactured by Holtec and its sub-contractors sufficient to demonstrate that there were and are fundamental flaws in the casks, and the casks are components to which 10 CFR Part 21 applies; however, neither Holtec nor Exelon made a required Part 21 report (page 40-41 of transcript).

**Concern 5:**

Holtec spent fuel storage casks were manufactured with materials from suppliers who were not approved bidders to supply materials for safety-related use; however, these suppliers were never audited by Holtec or Exelon to establish product acceptability as required (page 41-42 of transcript).