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NRC BARS TWO COMPANIES FROM PROVIDING PRODUCTS, SERVICES
TO CUSTOMERS WHO SPECIFY COMPLIANCE WITH NRC REQUIREMENTS

The Nuclear Regulatory Commission has prohibited Five Star Products, Inc. (FSP) and Construction Products Research, Inc. (CPR) of Fairfield, Connecticut, and H. Nash Babcock, the companies' owner, from providing products or services to a customer who specifies compliance with NRC quality assurance requirements or vendor reporting requirements.

NRC is taking this action because the companies and Mr. Babcock refused to permit NRC full access to inspect their product testing facilities and records, and deliberately provided NRC with incomplete and inaccurate information. Neither did they allow NRC licensees to conduct necessary audits at CPR's facilities. These actions fail to meet NRC requirements covering vendors who supply the nuclear industry with safety-related products or services.

FSP, formerly known as U.S. Grout Corporation, for 20 years has manufactured and sold grout and concrete products to the nuclear industry for use in safety-related applications. CPR performs laboratory tests of FSP products and had been representing since 1980 that its products conform to NRC quality assurance requirements.

NRC — which periodically inspects vendors who supply safety-related components to licensees — began an unannounced inspection of FSP and CPR on August 18, 1992. On that occasion, Mr. Babcock questioned the NRC's authority to conduct the inspection. He denied the inspectors access to CPR's testing laboratory, located in the basement of FSP's Fairfield, Connecticut, headquarters, as well as access to CPR's laboratory records. The next day, Mr. Babcock told the inspectors to leave at the end of that day and not to return until after Labor Day. The inspectors left the site as requested.

During the brief time it was there, the NRC inspection team reviewed purchase orders which demonstrated that at least seven NRC reactor licensees and one licensee contractor had issued purchase orders to FSP for safety-related grout and concrete products, specifying that they must comply with NRC quality assurance and vendor-reporting requirements.

But because FSP and Mr. Babcock curtailed the NRC inspection, the team was unable to determine whether the products were produced, tested and provided in compliance with NRC requirements and whether there was reasonable assurance that the products were acceptable for use in safety-related applications in nuclear power plants.

On September 1, 1992, the NRC issued an information notice alerting nuclear power plant licensees to the NRC's concern about FSP and CPR denying necessary access to NRC inspectors. NRC noted that, since access was denied, it could not examine the extent and adequacy of the products produced by FSP and therefore did not have reasonable assurance that the company's products were adequate for use in safety-related applications.

In addition, the NRC, in its order issued December 1, prohibited FSP, CSR and Mr. Babcock from (1) providing structures, systems and components subject to a procurement contract that specifies compliance with NRC quality assurance requirements; or (2) providing basic components subject to a procurement contract specifying compliance with NRC vendor-reporting requirements.

The order does not prohibit FSP or CPR from supplying "commercial grade" materials to NRC licensees, as long as the companies do not claim that the materials are qualified for safety-related applications in nuclear power plants based on compliance with the NRC quality assurance or vendor-reporting requirements.

If FSP, CPR and Mr. Babcock wish to have the prohibition in the order lifted, they must so advise the NRC and must respond to violations of NRC requirements identified in the order. The companies also must permit NRC, its licensees and appropriate licensee contractors to inspect the records, premises, basic components and activities of FSP, CPR or any concern owned, controlled, operated or managed by Mr. Babcock that desires to provide safety-related products or basic components. The order further provides that, in order for the prohibitions to be lifted, Mr. Babcock and his companies must demonstrate — by having tests performed by an independent third party — that the basic components and associated services meet NRC standards.

FSP, CPR, Mr. Babcock, or any other person adversely affected by the order may request a hearing within 20 days. If there is no request for a hearing, the requirements of the order will be effective in 20 days.

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