

Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

John A. Scalice
Chief Nuclear Officer and Executive Vice President, TVA Nuclear

February 3, 2003

Mr. Frank Congel, Director
Office of Enforcement
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852-2739

Dear Mr. Congel:

**ALLEGED DISCRIMINATION AGAINST A CORPORATE NUCLEAR
ENGINEERING MANAGER FOR PROVIDING INFORMATION TO THE NRC
(OFFICE OF INVESTIGATIONS (OI) REPORT NO. 2-2000-035)**

This responds to your subject letter dated January 13, 2003 requesting that TVA consider waiving the five-year Statute of Limitations for enforcement related to the issues raised in OI Report No. 2-2000-035. Your letter was received by TVA on January 21, 2003, and TVA's response was requested within 14 days of receipt.

Upon consideration of your request, TVA has decided to agree to a limited waiver of the Statute of Limitations in order to allow NRC to continue to defer, for a limited time, any enforcement action associated with the findings of OI Report No. 2-2000-035 as they may relate to events that occurred in 1998 and 1999. Insofar as these findings are concerned, TVA agrees that the time from NRC's request for waiver (January 13, 2003) to 90 days after the Atomic Safety Licensing Board's decision in Case No. 01-791-01-CivP should not count against the running of the Statute of Limitations.

We note, as you do, that the Statute of Limitations has already expired regarding any issues which arose in the 1996 timeframe, certain aspects of which are currently before the Atomic Safety and Licensing Board (Case No. 01-791-01-CivP). By statute, NRC is thus precluded from imposing any civil fine, penalty, or forfeiture, pecuniary or

Mr. Frank Congel

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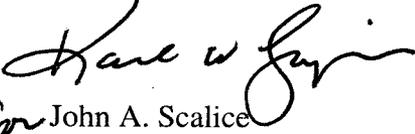
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otherwise, associated with these events (28 U.S.C. Section 2462). TVA's limited Waiver of the Statute of Limitations associated with findings of OI Report No. 2-2000-035 in no way affects, directly or indirectly, the expiration of the Statute of Limitations in connection with the 1996 events and does not waive any argument in that regard.

Furthermore, TVA's agreement to this limited waiver of the Statute of Limitations should in no way be construed as an admission, in whole or in part, to any acts of discrimination in any of the events mentioned above.

If you have any questions regarding the above, please call Edward J. Vigluicci at (865) 632-7317.

Sincerely,


for John A. Scalice

cc: Mr. Luis Reyes, Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
Sam Nunn Atlanta Federal Center
61 Forsyth St., SW, Suite 23T85
Atlanta, Georgia 30303-8931