

CLEAR REGULATORY COMMISSION

Docket No. 50-390 Official Exh. No. Joint 47
In the matter of TVA
Staff Joint IDENTIFIED
Accident _____ RECEIVED
Intersect _____ REJECTED _____
Other _____ WITHDRAWN _____
DATE 4/23/02 Witness _____
Clerk _____

2003 MAR -4 PH 3:25
OFFICE OF THE SECRETARY
RULEMAKING AND
ADJUDICATIONS STAFF

DOCKETED
USNRC

identification of various chemistry related issues at the Sequoyah facility in the 1991 to 1993 time frame. Individuals who were knowledgeable of Mr. Fiser's 1993 DOL complaint and/or the chemistry related safety concerns at that time included the Nuclear Safety Review Board (NSRB) Chairman and an NSRB committee member. As part of their NSRB responsibilities, these two individuals were critical of the existence and timely resolution of chemistry related issues in Mr. Fiser's department, and were outspoken in their dissatisfaction with Mr. Fiser's ability to implement effective corrective action.

After the 1993 DOL complaint was settled and Mr. Fiser was reinstated to a position in TVA, a corporate reorganization occurred in mid-1994, and Mr. Fiser was selected to the position of Chemistry and Environmental Protection Program Manager within the Operations Support corporate organization. Subsequent to his selection to this position, in approximately early to mid 1996, the individuals who served as NSRB Chairman and NSRB committee member (in 1993) were placed in the corporate positions of General Manager, Operations Support, and Radcon Chemistry Manager, respectively. These positions represented Mr. Fiser's first and second level management superiors. Thereafter, in July 1996, the Operations Support group was again reorganized. As part of this reorganization, the three Chemistry and Environmental Protection Program Manager positions, one of which Mr. Fiser held, were eliminated, and two new Chemistry Program Manager positions were created and competitively posted.

At that time, Mr. Fiser informed TVA of his intent to file a DOL complaint should TVA decide to competitively post these positions. In June 1996, Mr. Fiser filed a DOL complaint which was based on his belief that posting these positions constituted discrimination for his engagement in previous protected activity. Mr. Fiser believed that his previous position description and experience warranted his transfer into one of the two newly created positions. Subsequently, Mr. Fiser applied for one of the two new positions, but was not selected. The NRC concluded that Mr. Fiser's engagement in the protected activities outlined above was a factor in his eventual non-selection to the position for which he applied.

At the conference, TVA representatives indicated that the 1996 reorganization which resulted in the elimination of Mr. Fiser's Chemistry and Environmental Protection Program Manager position was implemented for legitimate business reasons. TVA representatives also stated that the decision to competitively post these and other positions, while filling other positions without competitively posting, was based on TVA's understanding of applicable law. In addition, TVA representatives presented information indicating that the selection process for the newly posted positions of Chemistry Program Manager was as impartial as possible, and in accordance with TVA policies and procedures. TVA also stated that the former NSRB Chairman was unaware of Mr. Fiser's 1993 DOL complaint until June of 1996, and that the individuals involved in the selection process were unbiased with respect to Mr. Fiser's DOL activities. TVA took exception to the statements in the NRC's September 20, 1999, letter, that the 1993 NSRB Chairman and Committee Member were named as culpable parties in Mr. Fiser's 1993 DOL complaint.

The NRC recognizes that licensees may implement reorganizations for legitimate business reasons, which may result in adverse personnel actions against its employees. However, the NRC does not agree with TVA that the actions which ultimately resulted in Mr. Fiser's non-selection to the Chemistry Program Manager position were based solely on non-discriminatory,

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business reasons. The NRC agrees with TVA that the former NSRB Chairman and committee member were not named as culpable parties in Mr. Fiser's 1993 DOL complaint, as misstated in our September 20, 1999 letter. However, the NRC notes that these individuals were knowledgeable and critical of Mr. Fiser's 1991-1993 protected activity involving chemistry related safety concerns and their actions in this regard were part of the information developed associated with the 1993 DOL case. Moreover, given his position in the organization and the number of TVA employees who were involved in the various DOL and TVA Inspector General interviews, the NRC also considers it more likely than not that the former NSRB Chairman was aware that Mr. Fiser filed a 1993 DOL complaint prior to 1996.

Shortly after these two individuals were named as General Manager, Operations Support, and Radcon Chemistry Manager, in 1996 (Mr. Fiser's first and second level management superiors), a reorganization was implemented at the direction of the General Manager of Operations Support that ultimately resulted in the elimination of one of the Chemistry and Environmental Manager positions and the non-selection of Mr. Fiser to the newly created Chemistry Program Manager positions. The temporal proximity between the appointment of these two individuals as Mr. Fiser's supervisors and his non-selection in July 1996, and the disparate treatment of Mr. Fiser with respect to the new Chemistry Program Manager position led the NRC to conclude that the reasons for Mr. Fiser's non-selection, as articulated by TVA at the conference, were pretextual. As to the disparate treatment issue, TVA's rationale for posting the Chemistry Program Manager position and requiring Mr. Fiser to compete for the job, while filling the Radcon Chemistry Manager position without posting it in 1996, were inconsistent. In both cases, the individuals had previously performed the functions of the new positions they were seeking, yet in the case of Mr. Fiser, he was not permitted to fill the position noncompetitively as had the Radcon Chemistry Manager. Moreover, TVA's explanations with respect to the decision making process for the filling of the Radcon Chemistry Manager position changed over time.

The NRC also considered it likely that an individual was pre-selected to one of the Chemistry Program Manager positions. In addition, at least two of the three individuals on the selection review board, and the selecting official, had knowledge of Mr. Fiser's 1993 DOL complaint. Of particular relevance to the NRC is the fact that certain selection review board members discussed the existence of Mr. Fiser's prior protected activity just prior to conducting interviews for the position of Chemistry Program Manager. This conduct casts further doubt on the impartiality of the selection process. Based on these and other reasons, the NRC has concluded that discrimination was at least a factor in Mr. Fiser's non-selection.

Therefore, the NRC has concluded that the actions taken against the former corporate employee were due in part to his participation in activities protected by 10 CFR 50.7. Since the adverse employment action was taken by individuals the NRC considers to be mid-level management officials, this violation has been categorized in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, at Severity Level II.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$88,000 is considered for a Severity Level II violation. Because this violation is characterized at Severity Level II, the NRC considered whether credit was warranted for Identification and Corrective

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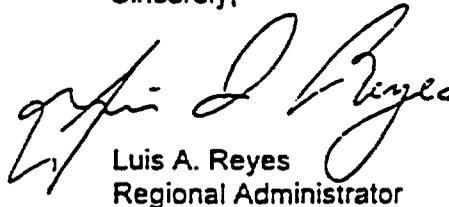
Action in accordance with the civil penalty assessment process described in Section VI.B.2 of the Enforcement Policy. No credit was determined to be warranted for Identification, because this violation was identified by the NRC. Corrective actions presented by TVA at the conference included various employee training on building and maintaining a safety conscious work environment, and issuance of an employee bulletin reinforcing TVA's policy against discrimination. However, in that you denied the occurrence of a violation, to date you have not taken any specific corrective actions to address the root and contributing causes, nor taken actions to prevent recurrence, resulting in no credit for the factor of Corrective Action.

Therefore, to emphasize the importance of a safety conscious work environment that is free of discriminatory employment actions and the need for prompt identification and comprehensive correction of violations, I have been authorized, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Reactor Programs, to issue the enclosed Notice. In this case, because credit was not warranted for the factors of Identification and Corrective Action, the NRC normally would propose a civil penalty at twice the base civil penalty of \$88,000. However, in accordance with the Enforcement Policy, I have been authorized to assess a civil penalty at the maximum daily amount for a single violation of \$110,000 for this Severity Level II violation.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room.

Sincerely,



Luis A. Reyes
Regional Administrator

Docket Nos. 50-390, 50-327, 50-328,
50-269, 50-260, 50-296
License Nos. NPF-90, DPR-77, DPR-79,
DPR-33, DPR-52, DPR-68

Enclosures and cc: See Page 5

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Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalty
2. Conference Attendees
3. NRC Presentation Material
- 4. TVA Presentation Material
5. Presentation Material provided by the former corporate employee
6. NUREG/BR-0254

cc w/o encl 6:

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cc: Con'td on Page 6

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TVA

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cc (Cont'd):

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County Executive
Hamilton County Courthouse
Chattanooga, TN 37402-2801

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NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Tennessee Valley Authority
Watts Bar Nuclear Plant, Unit 1
Sequoyah Nuclear Plant, Units 1 & 2
Browns Ferry Nuclear Plant, Units 1, 2 & 3

Docket Nos. 50-390, 50-327, 50-328,
50-269, 50-260, 50-296
License Nos. NPF-90, DPR-77, DPR-79,
DPR-33, DPR-52, DPR-68
EA 99-234

As a result of an NRC Office of Investigations (OI) report issued on August 4, 1999, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," (Enforcement Policy), NUREG-1600, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violation and associated civil penalty is set forth below:

10 CFR 50.7 prohibits discrimination by a Commission licensee against an employee for engaging in certain protected activities. Discrimination includes discharge or other actions relating to the compensation, terms, conditions, and privileges of employment. The activities which are protected include, but are not limited to, providing a Commission licensee with information about nuclear safety at an NRC licensed facility or testifying at any Federal proceeding regarding any provision related to the administration or enforcement of a requirement imposed under the Atomic Energy Act or the Energy Reorganization Act.

Contrary to the above, the Tennessee Valley Authority (TVA) discriminated against Mr. Gary L. Fiser, a former corporate employee, for engaging in protected activities. Specifically, in July 1996, TVA eliminated Mr. Fiser's position of Chemistry and Environmental Protection Program Manager, Operations Support, as part of a reorganization, and took subsequent actions to ensure that he was not selected for one of two new positions within Operations Support. TVA took these actions, at least in part, in retaliation for Mr. Fiser's involvement in protected activities. Mr. Fiser's protected activities included the identification of chemistry related nuclear safety concerns in 1991-1993, and the subsequent filing of a Department of Labor (DOL) complaint in September 1993 based, in part, on these chemistry related nuclear safety concerns. (01012)

This is a Severity Level II violation (Supplement VII).
Civil Penalty - \$110,000

Pursuant to the provisions of 10 CFR 2.201, the Tennessee Valley Authority (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation; (2) the reasons for the violation if admitted, and if denied, the reasons why; (3) the corrective steps that have been taken and the results achieved;

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Notice of Violation and
Proposed Imposition of Civil Penalty

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(4) the corrective steps that will be taken to avoid further violations; and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response time for good cause shown.

Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalty proposed above, in accordance with NUREG/BR-0254 and by submitting to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, a statement indicating when and by what method payment was made, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violation listed in this Notice, in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty in whole or in part, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the factors addressed in Section VI.B.2 of the Enforcement Policy should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282c.

The response noted above (Reply to Notice of Violation, statement as to payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Richard W. Borchardt, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region II, 61 Forsyth St, SW, Suite 23T85, Atlanta, GA 30303-3415.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your

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response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 7th day of February 2000.

Enclosure 1

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