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OFFICIAL SECRETARY  
RULINGS AND  
ADJUDICATIONS STAFF

1 UNITED STATES OF AMERICA

2 NUCLEAR REGULATORY COMMISSION

3 - - - - -x

4 In the Matter of: :

5 INTERVIEW OF :

6 PHILLIP R. REYNOLDS :

7 (CLOSED) :

8 - - - - -x

9  
10  
11 Tennessee Valley Authority  
12 Lookout Place Building  
13 12th & Chestnut Street  
14 Chattanooga, TN

15  
16 Friday, December 18, 1998

17  
18 The above-entitled matter came on for interview,  
19 pursuant to notice.

20  
21 BEFORE:

22 DIANE BENSON, Special Agent  
23  
24  
25

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EXHIBIT 25  
PAGE 1 OF 29 PAGE(S)

Template = SECY-028  
2-1998-013

SECY-02

CLEAR REGULATORY COMMISSION

Case No. SO-390 Official Ex. No. STAP III

In the matter of TVA

Staff  IDENTIFIED

Applicant \_\_\_\_\_ RECEIVED

Intervenor \_\_\_\_\_ REJECTED \_\_\_\_\_

Other \_\_\_\_\_ WITHDRAWN \_\_\_\_\_

DATE 6/12/02 Witness \_\_\_\_\_

Clerk BHM

OFFICE OF THE SECRETARY OF ENERGY

C O N T E N T S

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WITNESS	EXAMINATION
PHILLIP R. REYNOLDS	
BY MS. BENSON	4
BY MR. MARQUAND	22

E X H I B I T S

NUMBER	IDENTIFIED
(NONE.)	

## P R O C E E D I N G S

(10:00 a.m.)

MS. BENSON: Today's date is December 18, 1998.

The time now is 10:00.

I am going to stop and pause for just a minute even though I'm just getting started and ask if you can read over 1001 Title 18 U.S. Code to make sure you have an understanding of that.

MR. REYNOLDS: Do you want to read it out loud?

MS. BENSON: No, you can just read it to yourself.

(Pause in Proceedings.)

MS. BENSON: The time now is approximately 10:06.

I am Special Agent Diane Benson of the NRC Office of Investigations NRC Atlanta, Georgia and I'll be conducting this interview. During this proceeding which is being recorded for transcription the NRC Office of Investigations will conduct an interview of Mr. Phillip L. Reynolds. Spelling of his last name is R-e-y-n-o-l-d-s.

This interview pertains to -- Investigation No. 21998-013. The location of this interview is TVA Lookout Place Building, Market Street, Chattanooga, Tennessee. Others in attendance at this interview are Mr. Brent R. Marquand and the spelling of that is M-a-r-q-u-a-n-d and he is here in a dual capacity representing both Mr. Reynolds and TVA.

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1 Do you have any objection to being sworn to your  
2 testimony?

3 MR. REYNOLDS: No, I do not.

4 Whereupon,

5 PHILLIP R. REYNOLDS

6 the Interviewee, was called for examination and, having been  
7 first duly sworn was examined and testified as follows.

8 EXAMINATION

9 BY MS. BENSON:

10 Q Can you please state your full name?

11 A Phillip L. Reynolds.

12 Q And your date of birth?

13 A [REDACTED]

14 Q And your social security number?

15 A [REDACTED]

16 Q And Mr. Reynolds, I asked you to read over Title  
17 18 U.S. Code, Section 1001 regarding statements. Did you  
18 read over that and do you understand it?

19 A Yes, I read over it and I do understand it.

20 Q Okay, thank you. Before we got started I  
21 indicated to you that we would be conducting an interview  
22 today regarding the 1996 DOL discrimination complaint filed  
23 by Mr. Gary Fiser. You're basically being interviewed as a  
24 witness today and not as a target or suspect in the  
25 investigation.

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1 A I understand.

2 Q And can you please provide me with your employment  
3 history with TVA?

4 A I joined TVA in April 6th of 1987. I'm not sure  
5 my exact title but I worked in the Labor Relations  
6 organization as a Labor Relations Specialist. In '89 I  
7 believe it was '89 I was named the Manager of Employer  
8 Relations. I had responsibility for fitness for duty, EEO,  
9 -- employment, and Department of Labor complaints.

10 I was then promoted to Manager of Labor Relations  
11 for the TVA generating group which included Nuclear --  
12 Hydro. In '94 I believe I was promoted to Manager of  
13 Employer Relations for TVA Nuclear where I had  
14 responsibilities for the site organizations.

15 In '95 I was promoted to General Manager of TVA  
16 Nuclear Human Resources and responsible for all Human  
17 Resource activities within TVA Nuclear, and about three  
18 months ago I was promoted to Vice President Nuclear Support  
19 responsible for security, business services, capital  
20 projects, employee concerns, and Human Resources.

21 Q What we will be looking at today is basically the  
22 time period in your employment here in '96 which would have  
23 been Human Resources Manager for --

24 A General Manager of Human Resources for TVA  
25 Nuclear.

1 Q And in that capacity or that position can you tell  
2 me what your responsibilities were?

3 A I had responsibility for Labor Relations within  
4 TVA Nuclear, compensation, staffing, I'm trying to think  
5 what else - and then I would have had the site Human  
6 Resource organizations that would have reported up to me  
7 through a matrix reporting relationship with the site Vice  
8 Presidents.

9 In summary I was responsible for the total Human Resource  
10 activity within TVA Nuclear.

11 Q And who did you report to at that time?

12 A I reported to Oliver Kingsley who was the  
13 President and Chief Nuclear Officer for TVA Nuclear.

14 Q And who was working for you - how many employees  
15 did you have underneath you at that time?

16 A It was approximately thirty-five.

17 Q Was Mr. James Boyles and the spelling of his last  
18 is B-o-y-l-e-s or Ed Boyles I guess he is called here within  
19 TVA was he in your chain of command?

20 A Yes, he was. He was the site Human Resource  
21 Manager for the Corporate Office and he was directed to  
22 report to me.

23 Q As far as the DOL complaint that was filed by Mr.  
24 Fiser in 1996 can you please explain to me at what point you  
25 got involved in that complaint?

1           A     Our process was that I had an individual I believe  
2 at that time it would have either been Ms. Kathy Welch or  
3 Donna Green, my Federal Appeals Complaint Officer. We would  
4 have received the complaint and they would have prepared a  
5 memo for me to sign to send to our Inspector General to  
6 begin an investigation.

7           The Federal Appeals Specialist would have  
8 coordinated the investigation which I believe at that time  
9 would have been with the Department of Labor. I don't think  
10 the switch to OSHA had been made at that time, and they  
11 would have kept me abreast of any ongoing activity with the  
12 complaint and the investigation.

13          Q     Okay. Can you specifically remember how you found  
14 out that DOL complaint had been filed by Mr. Fiser? Who  
15 were you told by or do you remember?

16          A     It would have been either Ms. Green or Ms. Welch.  
17 I don't remember that, but I would have found out by being  
18 in receipt of the complaint, reviewing the complaint, and  
19 telling them to you know get the memo ready to go to DIG and  
20 -- investigation so through the normal receipt of the  
21 complaint from the Department of Labor is how I would have  
22 known about it.

23          Q     Okay. Can you tell me the results of any offers  
24 or settlements that you would have made with Mr. Fiser or  
25 how you handled the situation from the time you got the

1 complaint?

2 A The - can you repeat that for me? I'm not sure I  
3 understand.

4 Q Okay. How was his specific complaint settled, or  
5 what was the final result of the complaint that he filed?

6 A The complaint he filed in 1996 we ultimately made  
7 a cash settlement with Mr. Fiser on that complaint. I don't  
8 remember the details of it, but I know we did make a cash  
9 settlement with Mr. Fiser on that complaint.

10 Q And prior to that what kind of negotiations or  
11 settlements did you try to make with him?

12 A He and I had had two or three discussions from  
13 when he had filed the complaint. We had I think there was  
14 some written documentation where he had made some requests  
15 to me regarding retirement credits and some cash and things  
16 like that.

17 I remember a number of about - he made an offer to  
18 me of about \$950,000.00 to settle his complaint which I felt  
19 was way out of line, and we were not able at that point and  
20 time to resolve his complaint. He and I did have some  
21 discussions regarding his complaint and the possibility of  
22 settling it.

23 Q Okay. Did you ever make any offer to him of a  
24 position here at TVA?

25 A I offered him a position but it was not in

1 A Well it was my ultimate decision but within after  
2 discussions with the Counsel or with the Office of General  
3 Counsel I should say.

4 Q Did you have any involvement in Mr. Fiser's 1993  
5 DOL complaint against TVA?

6 A Yeah, I was involved in helping resolve that  
7 complaint. You know I think I made him the offer on a  
8 position. I've known Mr. Fiser for a long period of time.  
9 He and I worked out at Sequoyah together.

10 I had always had a reforal\* with Gary. I remember  
11 seeing him in the hall one day and talking to him and told  
12 him that I thought we could work things out. I was involved  
13 in offering him the position in the Corporate Chemistry  
14 organization downtown.

15 Q As far as the posting of his position there in  
16 Corporate Chemistry during the 1996 time frame were you  
17 advised regarding the circumstances surrounding that  
18 decision that was made to post that?

19 A Yeah, I believe it was after the filing of this  
20 Department of Labor complaint because the complaint was  
21 about the posting. I was advised by Mr. Boyles and Mr. Ben  
22 Easley on the circumstances around the reorganization of the  
23 Chemistry organization at that point and time and the  
24 posting - the decision of posting the positions. Yeah, I  
25 was briefed on it.

1 Q Okay, and before they posted them or after they  
2 had made the decision?

3 A I don't remember if it was before or after but --

4 BY MR. MARQUAND: If you don't mind I might have  
5 some information which you could ask him about if he knows.  
6 It was clear that Fiser did go to Mr. Boyles and tell him  
7 that if they did post it that he was going to go to the  
8 Department of Labor.

9 I don't know if they had any discussion - if Mr.  
10 Reynolds had discussions with Mr. Boyles or not at that  
11 point and time before the complaint was filed.

12 Q Do you - can you answer that?

13 A I'd have to see the documentation. I just really  
14 don't remember if they came to me. You know anything I  
15 would say I'd probably have to assume if they talked to me  
16 about it. I really don't remember if it was before or after  
17 the complaint. At that point and time we were doing a lot  
18 of reorganizations in the total Corporate organization so I  
19 can't tell you if I did before or after the complaint.

20 Q Okay. Were you involved in the plans as far as  
21 the reorganization goes or were you brought into it as a  
22 result of the complaint that was filed? I mean did anyone  
23 seek your advise regarding?

24 A I was involved in the overall reorganization of  
25 the Corporate Office. I was not involved in the details of

1 individual organizations. You know we knew what the overall  
2 structure was going to look like. We knew what the staffing  
3 numbers were going to look like. I had a general knowledge  
4 of you know that there were some positions that would be  
5 posted. Some positions that were going to be transfers.

6 You know the specifics of details of questions no,  
7 I wasn't involved in any of that planning. That's what I  
8 rely in that you know for specific for the Chemistry  
9 organization would have been from Mr. Ben Easley and with  
10 Mr. Boyles to review.

11 Q Okay. Just to get an understanding of the policy  
12 and I have talked to at least two other witnesses regarding  
13 the posting of positions, the advertising of vacancy  
14 announcements, and the transfer. Mr. Marquand provided me  
15 some documentation.

16 I guess the first thing of what I would do is to  
17 ask you about one thing Mr. Marquand mentioned in his letter  
18 sent forward in some documentation to me. It's the Hay  
19 Classification System.

20 A Un-hum.

21 Q And is that H-a-y Classification System?

22 A Un-hum, yes.

23 Q Can you explain what that is to me?

24 A It's a job evaluation system where points are  
25 assigned to positions. You know it takes into consideration

1 knowledge, skills, abilities, accountabilities.

2 You come up with a point total and you bounce it  
3 off a guide chart card that says okay, it falls within the  
4 500 to 600 point range so in our system that related to what  
5 pay grade level 1 through 11 or a senior level position.

6 You know you got the points and then you bounced  
7 them up against the card and that's what the evaluation  
8 determination of the grade level.

9 Q So that's really used to determine the grade level  
10 of positions?

11 A Yeah, grade level and then subsequently the pay  
12 level. I mean there is a link between those two. You know  
13 PG 6, 7, or 8. A PG 1 through 11 would have point totals  
14 assigned to it. This is the range of the position and then  
15 there would also be a - you know a minimum, a mid point, and  
16 a maximum pay range for that position so it's a job  
17 evaluation system. Something you know all companies use.

18 Q And when you're doing a reorganization such as the  
19 one they were under going at that time how do you determine  
20 when you're going to use the RIF guide lines or you're going  
21 to post the position? What do you use in determining what  
22 rules you're going to apply for different postings?

23 A Well there are guide lines that are - that TVA  
24 follows that are the Office of Personnel Management you know  
25 that give you guide lines in terms of when a RIF has

1 occurred, when there is a transfer. You know those are  
2 really the two pieces of it that you've got to make the  
3 determination off of.

4 If it's a RIF or a transfer then your other option  
5 becomes posting of position. You know if you don't have a  
6 RIF or transfer and you've created a new position your  
7 option is to post at that point and time.

8 Q So how do you decide whether something is a RIF or  
9 a transfer?

10 A You know technically I do not usually delve into  
11 those kind of details. I mean that's what I have Ben Easley  
12 for to advise me in terms of that. You know when a position  
13 goes away and a new position is created that is there is not  
14 the ability to transfer - where there is not enough of that  
15 position to transfer into the new position you have a RIF  
16 and post situation.

17 When you're doing an evaluation of a job  
18 description of the old job description and the new job  
19 description you look is there a preponderance of the work  
20 into the new position and then that could become a transfer.

21 Q Un-hum.

22 A I mean it's - you've got to look at each position  
23 description to make that determination.

24 Q Okay. Before they did the posting of Mr. Fiser's  
25 Chemistry position were you involved at all in making that

1 determination on whether that should be posted, or whether  
2 he should be allowed to transfer in that position?

3 A No, in that situation that would have been Mr.  
4 Easley's position with a recommendation to Mr. Boyles.

5 Q Okay, and what about the position that Mr.  
6 McArthur was transferred into where there were two positions  
7 between him and Mr. Grover and that was created - combined  
8 into one position were you involved in that decision?

9 A They did discuss that decision with me. They  
10 discussed their - they came to me with a recommendation. As  
11 I remember the situation Mr. McArthur had been in a position  
12 that had had both RADCON and Chemistry at some point maybe  
13 in '91 or '92 that had reported to him.

14 Then there were a series of events that had  
15 occurred that Mr. McArthur had moved into a position but  
16 there had been an inadequate documentation in terms of what  
17 his positions were. So, when this RADCON, this new RADCON  
18 Chemistry Manager became available we looked at his job  
19 description of record which was still this job back in the  
20 '91 or '92 time frame that had the RADCON Chemistry combined  
21 underneath it.

22 In applying the OPM regulations Mr. Easley and Mr.  
23 Boyles' recommendation to me was that this is probably a  
24 transfer Phil, and this is probably the way we need to go,  
25 and I concurred with their recommendation.

1 Q Okay. You had mentioned that Mr. Easley indicated  
2 to you as far as this position goes with Mr. McArthur that  
3 he felt that it should be a transfer verses a posting in  
4 that position?

5 A Yes.

6 Q In an interview I did of Mr. Easley he has advised  
7 me that he was recommending that that position should be  
8 posted based on his evaluation of it. Is the conversation  
9 that you had was that with Mr. Boyles and Mr. Easley, or  
10 just with Mr. Boyles and --

11 A I had discussed that both with Mr. Boyles and Mr.  
12 Easley.

13 Q Okay.

14 A Because that was a pretty significant decision to  
15 make on a senior manager job.

16 Q Okay, and if you're looking at the way you're  
17 describing it can you explain to me what the difference is  
18 between the way Mr. Fiser's position was handled as far as  
19 posting of that even though he had had past jobs where he  
20 did those same functions, and there was actually an  
21 elimination of functions in the new job description verses  
22 the way Mr. McArthur was handled?

23 A In the case of Mr. Fiser I believe he was in a  
24 position that was a Chemistry Environmental Program Manager.  
25 I think that was the title. I know the job contained both

1 Chemistry and Environmental type activities.

2 The new job that was created was just a Chemistry  
3 Program Manager. The decision by the - the decision and  
4 recommendation as I understand it was that you know half of  
5 this job has gone away. We have really created a new  
6 position at this point and time.

7 Based on that you know Mr. Easley made the  
8 recommendation to Mr. Boyles and when I say that that's how  
9 I understood things to work in the organization and how they  
10 work today in terms of the relationship of the Human  
11 Resource Officer to the Human Resource Manager. The  
12 recommendation was to post the position because it was a new  
13 position at that point and time.

14 Q Okay, do you see any difference between that being  
15 a new position and the one Mr. McArthur was transferred into  
16 as being a new position?

17 A Do I see a difference?

18 Q Yes, and explain to me if you do see a difference  
19 explain that.

20 A Yeah, I do see a difference in that because we  
21 talked about these OPM regulations, Office of Personnel  
22 Management, which talk about and I've been through enough  
23 hearings in front of MSPB Judges, Merit System Protection  
24 Board Judges, that you have to go back to what the job of  
25 record is.

1           Based on that job of record of his position that  
2 it never - you know that his last position description in  
3 his personal history record was this job that had combined  
4 the RADCON and Chemistry activities that if I went back and  
5 you know did my paper trail I'd say - I'd look at that and  
6 say the preponderance of work is still retained in this job  
7 so it needs to be a transfer into that position.

8           That was the recommendation to me, so that's the  
9 difference I mean in following those OPM regulations. I  
10 think in both cases the Office of Personnel Management  
11 regulations were followed.

12           Q     Okay. Well according to my interview with Mr.  
13 Boyles basically what he stated was the reason he decided to  
14 allow the transfer of Mr. McArthur into that position was  
15 because the position that he was going into was the senior  
16 management position and he had lead way under the policy to  
17 do. Policy on deciding whether he wanted to transfer or  
18 post that position just because it was a senior management  
19 position.

20           A     I think at that point and time there was a policy  
21 in place '92, '93 time frame that would have been issued out  
22 of the Corporate organization that made a - I can't remember  
23 what it was called but it was telling us that new vacant  
24 positions in the PG 1 through PG senior ranks needed to be  
25 posted I think.

1 Q Okay, that's fine.

2 A Do you understand that?

3 Q Yes, I do.

4 A Okay.

5 Q I'll just show you this policy to make sure this  
6 is the one that you're speaking about as far as the policy  
7 that came out in 1993 as far as posting new positions.

8 (Long Pause in Proceedings.)

9 A Un-hum, yes, this is the one.

10 Q Okay, and this is the March 23, 1993 announcement  
11 of vacancies in the Manager and Specialist pay schedule so  
12 basically this gives you the guidelines you were supposed to  
13 be following as far as vacant management, -- PG 1 through  
14 senior management.

15 A Vacant new positions, yes.

16 Q And according to this if there were any vacant  
17 positions it had to be posted unless a waiver was requested.  
18 The waiver itself would have been requested through the HR  
19 Office in Knoxville. Is that correct?

20 A That's correct.

21 Q Now when I interviewed Mr. Easley basically in his  
22 evaluation of these positions what he is indicating to me is  
23 that the position that Mr. McArthur was allowed to transfer  
24 into should have actually been either posted or a request  
25 should have been submitted through HR in Knoxville.

1 Do you have any comments to make regarding that?

2 A Well then I think Mr. Easley made the wrong  
3 recommendation the first time around.

4 Q Okay.

5 A Because the recommendation at that point and time  
6 and in the discussions was that he thought and he was deeply  
7 involved in that because I think on one hand he kindly set  
8 the stage for it at that point and time.

9 Mr. Boyles at that point and time was relatively  
10 new in the role as a Human Resource Manager and is not and  
11 was not at that point and time what I would call a technical  
12 expert in the Human Resource area, and he relied a lot on  
13 Mr. Easley in making his decisions.

14 You know I'm surprised at that because I think  
15 that was a - nobody ever came to me and told me they didn't  
16 agree with that decision to not - to transfer Mr. McArthur  
17 into that job.

18 Q Okay, so you never - Mr. Easley never came  
19 directly to you?

20 A No, ma'am.

21 Q With that recommendation, okay. The other item I  
22 would like you to review is this Nuclear Power Business  
23 Practice that was approved by you dated September 30, 1993.  
24 Management and Specialist -- process.

25 (Pause in Proceedings.)

1 A I'm familiar with this.

2 Q Okay, and is this basically this policy that you  
3 wrote here or you approved is that basically implementing  
4 this instruction here?

5 A Yes, it is.

6 Q And these were basically the guidelines that Mr.  
7 Boyles and Mr. Easley would have operated on for vacant  
8 positions?

9 A Correct.

10 Q Okay, that's fine.

11 MS. BENSON: Do you have any questions, Mr.  
12 Marquand?

13 EXAMINATION

14 BY MR. MARQUAND:

15 Q Ms. Benson represented that Mr. Boyles had said  
16 that one of the considerations was to transfer Mr. McArthur  
17 was that he was a senior manager.

18 A Un-hum.

19 Q Does it make any difference in evaluating whether  
20 there is a transfer or not is there more discretion as --  
21 questions seemed to imply or at least that's what I inferred  
22 from it - was there more discretion in making that judgment  
23 with respect to senior managers or higher grade managers  
24 than there is people with lower paid grades?

25 A Yeah, there is more discretion but you know we

1 attempt to try to post as many new positions as possible.  
2 One thing I would like to add to this.

3 If I went back and I looked at Mr. Fiser's  
4 original complaint from 1993 it is almost the exact same  
5 scenario in relationship not into the position but in terms  
6 of the inaccuracy of the new descriptions and the posting  
7 because at that point and time when Mr. Fiser in his first  
8 complaint was rified he was sitting in a position  
9 description I believe it was Sequoyah Site Chemistry  
10 Manager.

11 In settling that complaint we took into  
12 consideration what I'll call the paper trail was in that  
13 that it was not right. That he had been moved and was doing  
14 a variety of - had been doing a different position but his  
15 original position of record had not been changed. In a  
16 situation in terms of when you go back to evaluate it's  
17 somewhat similar to Mr. McArthur's situation in that regard.

18 MS. BENSON: Okay.

19 MR. MARQUAND: Do you understand this, Ms. Benson?

20 MS. BENSON: Yes, I do.

21 MR. MARQUAND: Okay.

22 Q You mentioned Wes Motley.

23 A Un-hum.

24 Q And that was a lawsuit that caused these posting  
25 requirements to be imposed?

1 A Yes.

2 Q Was that part of the settlement in that case?

3 A The postings?

4 Q I mean the requirement to post I mean was that  
5 dictated by the settlement in that case?

6 A My understanding of that is that in the settlement  
7 of that case the initial or what was actually resolved in  
8 that case is that TVA committed to post positions in Grade 1  
9 through 8.

10 Q So there was no requirement as a result of the  
11 Motley case to post positions above the 8 level?

12 A That's correct. The 1 through 8 had to be posted.  
13 New positions had to be posted, and at that point and time 9  
14 - Pay Grade 9 and above through the senior level were not  
15 required to be posted.

16 Q And so the policy statement that includes posting  
17 from 9 up to senior manager is something TVA is doing  
18 voluntarily?

19 A Yeah, that's TVA imposed. It's not a result of  
20 the settlement.

21 Q Not required by settlement or law or anything  
22 else?

23 A No, it is not.

24 Q Now all this business about whether or not Fiser  
25 should be transferred and whether or not Mr. McArthur should

1 be transferred occurred in May/June time frame of 1996 or  
2 set the stage for it?

3 A That's correct.

4 Q And you mentioned there was a Corporate  
5 reorganization going on. Was something like that going on  
6 in Corporate HR organization that you were over?

7 A Yes, I was in the process of reorganizing that  
8 organization also.

9 Q Were people losing their jobs?

10 A There was a potential. I think I was taking the  
11 staff down from about forty-five to thirty-five people.  
12 Forty-two to thirty-five, somewhere like that so there were  
13 in some cases some new jobs being created and postings  
14 occurring and some transfers occurred in there.

15 Q Did most people eventually have to apply on jobs?

16 A Yes, they did.

17 Q Did the people for instance Mr. Easley was a Human  
18 Resource --

19 A He was a Human Resource Officer at that time.

20 Q Were there other Human Resource Officers?

21 A Yes, in the Central Office at that point and time  
22 there was Mr. Easley and Melissa Westbrook.

23 Q And they worked for who?

24 A They worked for Mr. Boyles.

25 Q Did Mr. Easley's and Ms. Westbrook's jobs

1 continue? Did they stay the same? Did they transfer? What  
2 happened to them?

3 A Their positions in the organization we changed the  
4 total focus of their jobs, their position descriptions.  
5 There were quite - about a year process that we through  
6 identifying our operational value and some of those things -  
7 I won't get into a lot of those details, but we decided to  
8 change the scope of the position or the scope of work that  
9 that position was performing from more of an administrative  
10 position to more of an advisor/consultant business partner  
11 position.

12 Q As a result of changing the scope of those jobs  
13 were they transferred to the new jobs, or were the old jobs  
14 eliminated and they had to bid on the new ones?

15 A The old jobs were eliminated and the new jobs were  
16 posted and selections were made on those.

17 Q Did Mr. Easley bid on - apply for the new job?

18 A No, he did not. We had you know background.  
19 During that period of time Mr. Easley was having some health  
20 problems. He also had a couple of incidents that had  
21 occurred that had quite frankly impacted his performance to  
22 the point that we were having discussions with him about -  
23 or Mr. Boyles and I were having discussions with him about  
24 whether we should send him in for a fitness --.

25 In the evaluations we found him - I'll give you

1 one of the incidents. We had a going away party for one of  
2 our employees who was leaving to go to another organization  
3 and Mr. Easley bought her a gift and it was a pink negligee.

4 We didn't see that as really appropriate behavior,  
5 and there were concerns among the staff some things that Mr.  
6 Easley was going through personally. He came to me at the  
7 retirement of K. B. Green and told me he wanted to leave the  
8 organization and could I work something out. I told him  
9 what the process - you know everybody knew what the process  
10 we were going through.

11 Q Okay, Mr. Easley is no longer with TVA?

12 A He's no longer with TVA. He did not - when his  
13 position was eliminated and RIF notices were issued to those  
14 folks he accepted the RIF at that point and time.

15 Q Do you know whether or not ultimately he was happy  
16 about leaving TVA?

17 A Well he came in and thanked me and was real  
18 pleased and you know told me the list of things that he was  
19 going to go do when he left.

20 Q I'll get to my question whether or not he was  
21 somewhat disgruntled about having left TVA?

22 A I don't think he was disgruntled at all.

23 Q Okay.

24 A In fact he still stays in contact with us.

25 Q Is there any doubt in your mind that Ben Easley

1 was involved in recommending to you that Wilson or  
2 McArthur's jobs - that Wilson and McArthur should be  
3 transferred into the new jobs?

4 A No doubt in my mind.

5 MR. MARQUAND: That's all I have.

6 MS. BENSON: I have nothing further to ask. This  
7 will terminate the interview. The time now is 10:00 -  
8 approximately 10:48. Okay, thank you.

9 MR. REYNOLDS: Okay, thanks a lot.

10 (Whereupon, at 10:48 a.m., the interview was  
11 concluded.)

PROOFREADER'S CERTIFICATE

In the Matter of: INTERVIEW OF PHILLIP L. REYNOLDS

Witness: PHILLIP L. REYNOLDS

File Number:

Date: DECEMBER 18, 1998

Location: CHATTANOOGA, TENNESSEE

This is to certify that I, Bob Addington, do hereby swear and affirm that the attached proceedings before the U.S. Nuclear Regulatory Commission were held according to the record and that this is the original, complete, true and accurate transcript that has been compared to the reporting or recording accomplished at the hearing.

*Bob Addington*

Date: DECEMBER 22, 1998