

May 13, 2013

The Honorable Mary L. Landrieu
Chairman, Committee on Small Business
and Entrepreneurship
United States Senate
Washington, D.C. 20510

Dear Madam Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of April 1, 2013, requesting information regarding the effects of sequestration on our small business contracting. The NRC has an excellent record of, and ongoing commitment to, contracting with small businesses. We recognize the vital role small businesses play in maintaining a competitive supplier base and assisting in the economic recovery of the Nation through job creation. I am pleased to be able to report that for fiscal year 2013 to date, the agency is exceeding all five of its small business prime contract goals, including more than doubling its performance goals for small disadvantaged firms and women-owned small businesses.

As a result of budgetary constraints caused by sequestration, the NRC has reduced contract funding, primarily in the areas of information technology, environmental analysis, and long-term research support to maintain adequate funding for mission essential functions. Letters regarding the implications of sequestration were sent to affected NRC contractors on April 4, 2013. We currently anticipate that 17 commercial contracts will have cuts totaling \$3.7 million; \$1 million of which are small business prime contracts. Of those 17 commercial contracts, six are contracts to small businesses, eight are to large businesses (six prime contractors have subcontracting plans for small business concerns), and three are to educational institutions. The NRC's Division of Contracts is working with the technical program offices to determine how each contract will be specifically affected by the sequestration order, e.g., whether individual contractors will slow down work or whether some work will be stopped completely. As we assess the impact to specific contractors, we will pay particular attention to the potential impacts on small businesses and will work to mitigate them to the extent possible. This will include determining the need to provide guidance to other-than-small-business prime contractors on minimizing impacts on their small business subcontractors and suppliers.

I hope that this information is helpful to the Committee. If you have any additional questions, please contact me or Rebecca Schmidt, Director of the Office of Congressional Affairs, at (301) 415-1776.

Sincerely,

/RA/

Allison M. Macfarlane

cc: Senator James E. Risch