

May 3, 2013

Ms. Genice Madera  
Pacific Northwest National Laboratory  
P.O. Box 999  
Richland, Washington 99352

Dear Ms. Madera:

As you know, the President issued a sequestration order canceling approximately \$85 billion in budgetary resources across the Federal Government for the remainder of Fiscal Year 2013. At this time, the U.S. Nuclear Regulatory Commission (NRC) is taking every step to mitigate the effects of these cuts. As you might expect, the sequestration order will impact some of the work being performed for the NRC under certain DOE lab agreements. Therefore, I am providing you with information that may assist you in your planning.

We anticipate that it may become necessary to stop work on the following laboratory agreement with NRC:

**NRC-HQ-25-12-D-0004**

Task Order 8 – Technical Specification Development for ABWR, AP1000, ESBWR, EPR, and US-APWR

Task Order 9 – Harris SCOL Hydrologic Safety Review

Task Order 16 – Calvert Cliffs Environmental Review

Task Order 17 – North Anna Environmental Review

Task Order 18 – Bell Bend Environmental Review

Task Order 20 – Turkey Point Environmental Review

We anticipate that it may become necessary to slow down the pace of the work on the following laboratory agreements with NRC:

**NRC-HQ-25-12-D-0004**

Task Order 2 – Knowledge Management/EARRTH

Task Order 4 – Orientation Activities – Environmental Focus

Task Order 5 – Resolution of comments related to PAVAN2007 Supporting the update of RG 1.145

**NRO-10-IAA-PNNL-Q4233**

Task Order 4 – Technical Assistance activities related to policy and technical issues resolution, regulatory framework, and review of infrastructure development for advanced reactor technologies (recommendations for revised NRC policy)

Task Order 17 – Technical Assistance activities related to policy and technical issues resolution, regulatory framework, and review of infrastructure development for advanced reactor technologies (revise Regulatory Guide 4.2 – Preparation for Environmental Reports)

In some cases, the NRC will need to bilaterally descope or otherwise modify agreements, or even partially or completely terminate the agreements. Additionally, planned actions for new work may be delayed or canceled depending on the nature of the work and the degree to which it directly supports the agency's mission goals.

As the NRC's Designating Official for these agreements, I have designated an NRC representative to work through the steps we need to take in response to the sequestration. I will keep you informed by providing you with additional information as it becomes available. If you have any questions, please contact my designated representative, Mr. David D'Abate, at (301) 415-0667 or via e-mail at [David.DAbate@nrc.gov](mailto:David.DAbate@nrc.gov).

Thank you for your continued work with the NRC, and for your cooperation as we work together to manage these unfortunate circumstances.

Respectfully,

Glenn M. Tracy, Director  
Office of New Reactors

cc: J. LaBarge, DOE  
E. Hickey, PNNL  
S. Short, PNNL  
L. Vail, PNNL  
E. Chapman, PNNL  
A. Davis, PNNL  
B. McDowell, PNNL  
R. Bryce, PNNL  
C. Ross, PNNL  
T. O'Neil, PNNL  
J. Rishel, PNNL

G. Madera

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Task Order 17 – Technical Assistance activities related to policy and technical issues resolution, regulatory framework, and review of infrastructure development for advanced reactor technologies (revise Regulatory Guide 4.2 – Preparation for Environmental Reports)

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**/RA G Holahan for/**

Glenn M. Tracy, Director  
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