

May 3, 2013

Ms. Jill McCarthy
U.S. Geological Survey
P.O. Box 25046, MS-906
Denver Federal Center
Denver, Colorado 80225

Dear Ms. McCarthy:

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 interagency 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 interagency agreement with NRC:

NRC-HQ-25-12-I-0002

Task Order 2 – Technical Review of Turkey Point AP1000 SCOL Application – SRP Sections 2.5.1, 2.5.2, and 2.5.3

Task Order 11 – Technical Review of Turkey Point 6 & 7 SCOL Application – SRP section 2.4.6
Tsunami Hazard

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.

J. McCarthy

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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
L. Pratt, USGS

J. McCarthy

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Respectfully,

/RA G Holahan for/

Glenn M. Tracy, Director
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