

April 12, 2013

The Honorable Lou Barletta  
Chairman, Subcommittee on Economic Development,  
Public Buildings, and Emergency Management  
Committee on Transportation and Infrastructure  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

I am responding to your letter dated March 26, 2013, regarding a prospectus for a replacement lease for the U.S. Nuclear Regulatory Commission (NRC) in Suburban Maryland.

Soon after arriving at the agency in July 2012, I began to address the issues associated with the prospectus for the Two White Flint North (TWFN) building. The Committee's concerns were brought to my attention regarding the NRC's ability to meet current policies on space utilization, especially in light of planned occupancy of a third building at the White Flint Campus. At that time, NRC's projected housing plan was to fully occupy One White Flint North (OWFN), Two White Flint North (TWFN), and Three White Flint North (3WFN), when fully constructed, and to release all interim office space in four satellite locations at Gateway, Church Street, Executive Boulevard, and Twinbrook.

My understanding is that the original plan for the White Flint Campus was based upon projected growth in personnel requirements driven by an expected sizable increase in new reactor construction license applications. This growth has not materialized due to reduced demand for nuclear-generated electricity. According to the policies and guidelines on space utilization in use at the time, full occupation of the three buildings according to the original plan would result in a 153 square foot office utilization rate and a 256 "all-in" utilization.

Upon learning of the Committee's concerns that the three-building campus footprint exceeds new Federal policies on space utilization, particularly as outlined in the June 2010 Presidential Memorandum, we took the opportunity to reassess the agency's housing plans. I chartered in October 2012 a task force of senior staff to take a thorough look at space utilization and cost estimates and to develop a comprehensive, integrated, and updated business case that rebaselined the agency's space requirements and campus cost profile.

The task force has produced a set of recommendations for a cost-effective approach for footprint reductions and target utilization rates. The resultant plan is consistent with the agency's goal to consolidate and collocate its headquarters staff on one campus without adversely impacting the NRC safety and security mission responsibilities while also assuring effective conditions for the agency's workforce, which is predominantly professional and scientific in its responsibilities.

As an important follow-on action, the Acting General Services Administrator and I each chartered teams that have worked jointly and diligently over the past four months evaluating this business case and the financial analysis underpinning its recommendations. These interagency interactions have involved the most senior leadership from both agencies. Mr. Tangherlini and I have met twice to discuss our shared commitment to optimize space at the NRC and to direct the efforts of our respective teams completing the analysis.

GSA and NRC examined various scenarios aimed at reducing the NRC footprint, including relinquishing space in TWFN. The analysis conducted by GSA and NRC to date suggests that, even with a reduced utilization rate, NRC will need more than two buildings to house NRC staff and our mission-essential meeting spaces and special-use facilities. If NRC is required to vacate TWFN, there will be an immediate need to physically segregate it from OWFN and address security concerns associated with access via an easement. NRC and GSA have jointly presented preliminary results to the Office of Management and Budget (OMB) and are currently developing additional information to facilitate OMB's analysis.

The NRC is recognized as the premier nuclear regulator in the world in part because of our collaborative regulatory decision-making process. Successfully accomplishing the NRC's safety and security mission requires co-location and substantial on-going collaboration among NRC staff and across NRC offices. This collaboration among multiple technical experts and others is critical to resolving regulatory issues and fully addressing nuclear safety and security responsibilities and must be an important factor in determining the appropriate space standard for the NRC.

It is essential that an NRC headquarters campus support the agency's highly talented and capable staff in the performance of our safety and security mission in an effective and efficient manner. The NRC and GSA are jointly developing a path forward to accomplish the Committee's objectives, while optimizing the use of the three-building campus in a manner that will maintain NRC's regulatory effectiveness, efficiency, and emergency response capability. The NRC is ready to engage with you and the Committee staff to discuss the details of the plan.

In closing, I note that a partial response to the information you requested is enclosed with this letter. We are working on coordinating responses to the remainder with similar questions we have received from OMB. We would be pleased to share the results with the Committee as they are cleared with OMB. Furthermore, to be fully responsive to the Committee's request, we provide leasing information (see answer 1.e.) that is sensitive leasing information that GSA has cautioned us about disclosing. The Enclosure has therefore been marked not for public release. If you have any additional questions, please contact me or Ms. Rebecca Schmidt, Director of the Office of Congressional Affairs, at (301) 415-1776.

Sincerely,

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Allison M. Macfarlane

Enclosure:  
As stated

cc: Representative Eleanor Holmes Norton  
Daniel Tangherlini, U.S. GSA  
J. Kevin Carroll, OMB