

**National Security Working Group**  
***Weekly National Security Working Group Update***  
**Congressman Jim Jordan (R-OH), RSC Chairman**  
**Congressman Trent Franks (R-AZ), NSWG Chairman**  
***13 April 2011***

The National Security Working Group (NSWG) is comprised of Trent Franks, 2nd, AZ; Connie Mack, 14th, FL; Duncan Hunter, 52nd, CA and Allen West, 22nd, FL. We look forward to providing RSC members updates on national security issues and matters using this forum. We welcome your inputs.

---

*In This Newsletter:*

- *2nd Annual Electric Infrastructure Security (EIS) Summit (Rep Franks)*
  - *The Secure High-Voltage Infrastructure for Electricity from Lethal Damage (SHIELD) Act (Rep Franks)*
  - *The Venezuelan Oil Money Disappearing Act (Rep Mack)*
- 

*2nd Annual Electric Infrastructure Security (EIS) Summit (Rep Franks)*

The 2nd Annual Electric Infrastructure Security Summit, Washington D.C., followed the inaugural summit in the UK Parliament in September 2010. EISS London founded a new international infrastructure security framework focused on addressing severe natural and malicious electromagnetic threats to critical societal infrastructures. World leaders, ambassadors, legislators, chief scientists, defense and energy administrators and policy makers from 24 countries joined at the Fairmont Hotel April 11th 2011 at the EIS Summit to review new information on threats, causes and mitigation approaches to protect critical societal infrastructures. Summit speakers included organizing Co-Chairs Congressman Trent Franks (AZ-02), Congresswoman Yvette Clarke (NY-11) and Right Honorable James Arbuthnot MP, Chair, UK Defence Committee, and several leading experts from industry, DoD, DoE, and the Federal Energy Regulatory Commission. Mr. Avi Schnurr, President of the EIS Council, outlined an International Infrastructure Protection Roadmap to address the urgent and pressing requirement to protect the electrical infrastructure from geomagnetic storms and manmade devices. There was general consensus a compulsory first step to protecting the electrical grid is the passage and enactment of the SHIELD Act. Additional details on the summit can be viewed at: <http://www.eisummit.com/>.

NSWG Contact: Drew Nishiyama, [Drew.Nishiyama@mail.house.gov](mailto:Drew.Nishiyama@mail.house.gov) or 5-4576 in Rep Franks' office

---

*The Secure High-Voltage Infrastructure for Electricity from Lethal Damage (SHIELD) Act (Rep Franks)*

Recent reports indicate the Nuclear Regulatory Commission (NRC) will consider requiring that U.S. nuclear power plants have backup batteries that last longer in the event of a power outage at a reactor. This action is in response to the Japan nuclear crisis in the aftermath of the earthquake and tsunami devastation.

The NRC is planning to review the 104 nuclear reactors in this nation and will take backup battery life into account. While it is a promising first step that the NRC is reevaluating the resilience of our nuclear power plants, there is still a concern that NRC's approach is too limited to ensure the operation and protection of nuclear plants resulting from grid disturbances.

First, while batteries are an important hedge to a short-term power disturbance to the transformers that control the cooling systems, batteries have a very finite lifetime that varies from plant to plant that is measurable in

hours. These batteries are only meant as a bridge until diesel generators are running and able to take over the burden of running the cooling systems. This design reveals the shortcomings of the NRC's approach.

The problem is that their concept of how long the electric grid can be non-operational is not congruent with a real Electro Magnetic Pulse (EMP) scenario, which could bring down the grid for months or years. NRC's requirements are only dependent on a one week power outage to a limited region. They only require a 7-30 day supply of diesel fuel be on hand under their grid outage "coping strategy." This is not sufficient. There are myriad secondary effects that must be taken into account when developing a contingency plan should the power grid be disabled. We may lose the ability to produce or transport new diesel fuel; there will be many scenarios that could preclude resupply strategies. One example is whether there will be the human capital necessary to even provide the services to these diesel backups.

The fact is that large transformers are located at nuclear power plants, and it goes almost without saying that these transformers produce very large outputs. Necessarily, they are heavily interconnected into the power grid. Thus they are heavily exposed to geomagnetic ground-based currents, whether from natural or nuclear weapon. Most large nuclear plants in the US were built in the 1960s and '70s. Infrastructure control systems were likewise built during this period. The good news is that these vintage type electronic systems are much more robust and tolerant to EMP effects. The bad news is that these systems are growing old and must be replaced, and they will be replaced with modern versions that are inherently more vulnerable to EMP.

All of these scenarios lead to a conclusion that batteries and backup generators are not adequate and the electric grid itself should be protected to address nuclear concerns raised by that catastrophe in Japan. This is another reason HR 668, the SHIELD Act, has been introduced in this Congress. The time is now for us to begin protecting the grid against EMP events, whether natural, nuclear, or non-nuclear. While the images we all saw of the destruction in Japan and their nuclear reactors are enough, there are many other reasons that support protecting the electric grid now. The SHIELD Act provides a catalyst at this pivotal time to ensure that the grid is protected. There is still time, but we must act now to keep this nation the shining light it has always been to the world.

NSWG Contact: Drew Nishiyama, [Drew.Nishiyama@mail.house.gov](mailto:Drew.Nishiyama@mail.house.gov) or 5-4576 in Rep Franks' office

---

### *The Venezuelan Oil Money Disappearing Act (Rep Mack)*

In 2010 alone, the US invested roughly \$26 billion dollars into Venezuelan oil. According to an April 4 BBO Financial Services report, the government owned oil company PDVSA (Petroleos de Venezuela S.A.) has cancelled its contract with Inspectorate, the company it hired to audit its oil production and export numbers. While the world is calling for further explanation of what exactly the money is supporting, particularly questioning if PDVSA is sending gasoline to the Iranian regime, the Chavez Administration is taking action to cloak its financial activity. In a February 2010 report, investors were informed of the halted auditing situation, as well as given information regarding a 16% reduced rate of production since January. This increases Venezuela's credit risk when it comes to their debt, which is further impacted by reduced communication with international investors. Why the sudden need to hide financial activity? It seems highly coincidental that the Chavez Administration is taking measures to conceal the nationally owned company's financial movements just weeks after Walid Makled, an acknowledged "Drug Kingpin" by the U.S. Government, publically stated that "key government officials" in the Venezuelan government had facilitated his drug trafficking. As reported by the Associated Press, Makled's allegations would reportedly incriminate government officials within Chavez's innermost circle. The U.S. Administration must consider the ramifications of the huge amounts of money we are pouring into this company and what that money could mean in terms of national security: are we investing into a country whose recent history has proven untrustworthy and increasingly Noriega-esque? The allegations brought on by Makled's comments could indeed mean that the Chavez Administration is funneling PDVSA finances into drug trafficking organizations and rogue regimes.

NSWG Contact: Kristin Jackson, [Kristin.Jackson@mail.house.gov](mailto:Kristin.Jackson@mail.house.gov), or 5-2536 in Rep Mack's office

---

Question or comments regarding RSC National Security Working Group items can also be directed to Bruce F. Miller, [Bruce.Miller@mail.house.gov](mailto:Bruce.Miller@mail.house.gov)