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U.S. SENATE CLIMATE CHANGE CLEARING HOUSE

United States Senate

May 20, 2014

The Honorable Allison M. Macfarlane
Chairman
Nuclear Regulatory Commission
Rockville, MD 20852

Dear Chairman Macfarlane:

I write to request more information about a Nuclear Regulatory Commission (NRC)-sanctioned 'job shadow' program following yesterday's indictment¹ of five members of the Chinese military on charges of hacking into U.S. companies' systems and stealing trade secrets. According to the indictment, the Chinese efforts included the thefts of trade secrets from Westinghouse related to the AP 1000, a nuclear reactor designed by Westinghouse, beginning in May 2010 until at least January 2011. NRC and Westinghouse documents² also indicate that Westinghouse, a Pennsylvania nuclear technology company, was hosting a 'job shadow' program that placed Chinese personnel at U.S. nuclear reactors for months during the identical timeframe in which the alleged thefts occurred. I am concerned that this program may have facilitated or had the potential to facilitate the Chinese espionage efforts.

According to yesterday's indictment, in 2010 and 2011, one of the Chinese defendants stole proprietary and confidential information from Westinghouse's computer systems related to the design of the AP 1000 (some of which Westinghouse was contracted to build in China) and other sensitive internal business documents.

During the same timeframe in which these events allegedly occurred, NRC and Westinghouse were setting up a program that, according to an NRC document, "would enable key personnel at Sanmen and Haiyang stations to learn U.S. best practices by training with U.S. utility personnel at an operating nuclear plant. This program proposes to place two groups of staff including the plant manager, reactor operators, engineers and technicians (60 staff per group) at McGuire, Catawba, Seabrook, VC Summer, and Vogtle for a period of 2 months each. Group A would begin in September 2010, and Group B in January 2011." Westinghouse documents also describe this program, saying that as it created this program, "Westinghouse approached four U.S. utilities (Duke Energy, Florida Power & Light Company, South Carolina Electric & Gas Company, and Southern Nuclear) and six of those utilities' sites (Duke's McGuire and Catawba nuclear stations, NextEra's 1 Seabrook Nuclear Power Plant and FPL's Turkey Point Nuclear Generating Station, SCE&G's V.C. Summer Nuclear Station, and

¹ <http://www.justice.gov/iso/opa/resources/5122014519132358461949.pdf>

² <http://pbadupws.nrc.gov/docs/ML1033/ML103340208.pdf>,

<http://pbadupws.nrc.gov/docs/ML1033/ML103340207.pdf>

http://www.westinghousenuclear.com/docs/News_Room/E2_August2011.pdf

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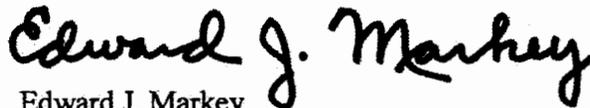
Southern's Alvin W. Vogtle Electric Generating Plant) to host the program during two different nine-week sessions in fall 2010 and early spring 2011. The six sites were asked to host anywhere from 10 to 25 Chinese guests each session. These particular utilities were chosen because they plan to build AP1000 reactors in the future and could offer and benefit the most from this type of exchange program."

I am concerned that this program may have provided additional opportunities for Chinese personnel to engage in espionage. In light of the seriousness of this issue, I request your prompt assistance in responding to the following questions and requests for information:

1. Please provide me with a copy of all documents (including but not limited to emails, memos, telephone logs, voicemails, presentations, trip reports and other materials) related to the NRC-sanctioned job shadow program with China.
2. Under which office of NRC did this program fall, and who at NRC authorized its creation?
3. Were any of the Chinese visitors granted unescorted access to the NRC facilities they visited? If so, please provide all details associated with such access.
4. Was there any review of this program by NRC, and if so please provide me with all related documents.

Thank you very much for your prompt attention to this matter. Please provide your response no later than June 27, 2014.

Sincerely,

A handwritten signature in black ink that reads "Edward J. Markey". The signature is written in a cursive, slightly slanted style.

Edward J. Markey
United States Senator

Remsburg, Kristy

From: Freedhoff, Michal (Markey) [mailto:Michal.Freedhoff@markey.senate.gov]
Sent: Tuesday, May 20, 2014 11:50 AM
To: Powell, Amy; Shane, Raeann
Subject: letter to Chairman Macfarlane

Please see the attached – thanks.

Michal Ilana Freedhoff, Ph.D.
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Connect with Senator Markey

