FOR IMMEDIATE RELEASE

CONTACT

February 1, 2017

<u>CJ Young</u> — (202) 225-5735

Pallone Calls for Ongoing Improvements to Grid Cybersecurity

Voices Concern About Downgrading Energy Secretary on NSC

Washington, D.C. – Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) spoke about the importance of continued improvements to our nation's efforts to defend against cybersecurity threats to the electricity grid at an Energy Subcommittee hearing today titled, "The Electricity Sector's Efforts to Respond to Cybersecurity Threats:"

Mr. Chairman, thank you for holding today's hearing evaluating the cybersecurity threats to the electricity sector in our country. I welcome you to this new role as Chairman of the Energy Subcommittee. You and I accomplished a great deal together in the last Congress, and I hope to work together with you and Mr. Rush on critical energy policy in this Congress.

This hearing is a good first step for our committee to look into the impacts of cybersecurity threats on the electricity grid. However, I believe that we need more hearings and a deeper analysis of the issue so members can truly understand the challenges and threats facing our grid. I appreciate the Chairman's willingness to honor Ranking Member Rush's request to hold another hearing on this topic with federal government witnesses, especially from the Department of Energy and the Federal Energy Regulatory Commission. Their perspective and experience on this issue will be vital to the Committee's oversight efforts. I also believe that the Committee should hold a closed-door hearing to look at the cybersecurity risks to our electricity grid. There are classified aspects of this issue that cannot be discussed in a public hearing like this, and Members deserve the opportunity to be briefed on this high-level information in order to ensure we are adequately protecting the grid from threats.

To date, the industry has done a commendable job of guarding electricity consumers against losses caused by a cyberattack. But make no mistake: the threats are out there.

In December 2015, Russian state hackers successfully compromised the Ukraine's electric grid, shutting down multiple distribution centers and leaving more than 200,000 residents without power for their lights and heaters. That attack was premeditated and well-choreographed, with groundwork that pre-dated the full attack by many months. It was sophisticated and synchronized, taking down backup power supplies and jamming phone

lines to keep operators unaware of the extent of damages. To date, it stands as the only recognized cyberattack to successfully take down a power grid.

Certainly, there are vast differences between the system in the Ukraine and our own grid, so it's tempting to dismiss events in the Ukraine as something that could never happen here. But we owe it to the American people to ask whether anything about that attack could be replicated here. What lessons can we learn to make our electric grid more secure and utility workers more vigilant of cybersecurity threats? And, what should be the priorities of this Committee and this Congress to ensure that a successful cyberattack on the electric grid never happens on American soil? If Russia hacked our election, what's to stop them from hacking our electricity grid?

Now, our Committee has not been idle when it comes to grid security. Last Congress, Chairman Upton, with my support and the support of many members of the Committee, pushed through legislation to enhance the security of our grid from cyber and other threats. I was pleased to see that signed into law by President Obama because I consider grid security to be a top tier national security concern. And yet, just days ago, President Trump signed a presidential memorandum establishing the members of the National Security Council's Principals Committee – and it appears the Secretary of Energy --who Congress just made the lead federal official responsible for securing our electricity grid-- has been booted off this significant interagency advisory panel.

This is incredibly troubling and I strongly urge the President to reconsider his decision to sideline DOE from the national security dialogue. I would hope that my Republican colleagues would join me in asking the President to reverse this decision. It is inexcusable that there no longer appears to be room at the top level of the National Security Council for the Secretary of Energy —who also is in charge of nuclear security—but there is a permanent slot for Steve Bannon, his chief strategist. Essentially, President Trump has chosen his top political security advisor over the nation's top energy security advisor —and that's a recipe for disaster. I hope my colleagues will join me in conveying that view to the White House before something happens that endangers our economy and our people. The safety of our grid and our nuclear arsenal are too important.

l yiel		
,	_	