

Exposing Corruption *Exploring Solutions*
Project On Government Oversight

October 14, 2009

Senator Barbara Boxer
Chair, Senate Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, DC 20510-6175

Senator James Inhofe
Ranking Member, Senate Committee on Environment and Public Works
456 Dirksen Senate Office Building
Washington, DC 20510-6175

VIA FACSIMILE

Dear Chairwoman Boxer and Ranking Member Inhofe:

At 5:03 p.m. on Friday, October 9, 2009, at the start of the three-day Columbus Day weekend, the White House announced a nomination to the Nuclear Regulatory Commission (NRC). President Obama's nomination of William D. Magwood to the post of Commissioner on the NRC should not be relegated to the shadows, but should be examined in the full light of public and congressional scrutiny.

Mr. Magwood's nomination violates the spirit of President Obama's "Ethics Commitment by Executive Branch Personnel Executive Order" (Ethics Executive Order). Since his retirement from government service in 2005, Mr. Magwood has been actively involved in efforts to advance nuclear industry business opportunities domestically and abroad. He founded Advanced Energy Strategies which provides "expert advice and analysis of U.S. and international energy policy activities; nuclear industry developments and prospects; and supporting business development efforts." Mr. Magwood has also been an investor in and President of Secure Energy North America Corporation, a company that is "working with industry and investors to develop novel approaches to finance new nuclear power stations in the United States." Prior to his government service, Mr. Magwood also managed nuclear policy programs at the Edison Electric Institute, an industry trade association.

Additionally, if Mr. Magwood were to be confirmed, it would undermine the oversight and regulatory function of the NRC. In 1974, the Atomic Energy Commission was abolished and split into two agencies because its dual missions of promotion and regulation of nuclear power was recognized as an inherent conflict of interest. As a result, the Department of Energy (DOE) was given the role of promoting nuclear power, while the NRC was created to regulate, inspect, and enforce regulations of the nuclear power industry. For 11 years, while with the federal government, Mr. Magwood was a strong proponent of nuclear power. First, he served as the

Associate Director of DOE's Office of Nuclear Energy, and then, for four years, as the Director. Issues he promoted include the Global Nuclear Energy Partnership (GNEP) and reprocessing of nuclear waste, both programs President Obama cancelled because of nuclear proliferation concerns. We fear that the appointment of Mr. Magwood, whose job has been to promote nuclear power, would be a step back towards the bad government model of the Atomic Energy Commission.

In light of this information, we oppose Mr. Magwood's nomination. Mr. Magwood does not have the independence from the nuclear energy industry to effectively regulate the uses of nuclear materials and facilities in the United States, enforce standards necessary to protect health and safety and minimize danger to life or property, and hold licensees accountable for damage to property caused by nuclear accidents. Furthermore, we question just how effective Mr. Magwood could be as a Commissioner in light of the President's Ethics Executive Order requirement that new appointees recuse themselves from "any particular matter involving specific parties that is directly and substantially related to [their] former employer or former clients, including regulations and contracts" for two years.

As more than 120 license and renewal applications are awaiting or will soon be considered for Commission approval, the American public needs a Commissioner with a demonstrated background that would make them an effective regulator. The most notable lack on the NRC is an expert who specializes in security. The NRC could also benefit from the perspective of an appointee with experience in the nuclear Navy, a state level regulatory body, or a public interest group.

Thank you for your consideration of this important issue. Please do not hesitate to contact us for more information by calling (202) 347-1122.

Sincerely,

Danielle Brian
Executive Director