The Regents of the University of California

COMMITTEE ON OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES
January 17, 2008

The Committee on Oversight of the Department of Energy Laboratories met on the above date at Covel Commons, Los Angeles campus.

Members present: Regents Blum, Bugay, Dynes, Marcus, Parsky, Pattiz, Preuss, and Varner; Advisory members Scorza and Brown

In attendance: Regents Allen, Garamendi, Gould, Hopkinson, Island, Kozberg, Lansing, Ruiz, and Schilling, Regent-designate Shewmake, Faculty Representative Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Beckwith, Dooley, Foley, and Sakaki, Chancellors Bishop, Block, Blumenthal, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Grey, and Recording Secretary Bryan

The meeting convened at 12:55 p.m. with Committee Chair Pattiz presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of November 15, 2007 were approved.

2. UPDATE ON THE DEPARTMENT OF ENERGY LABORATORIES

Due to the lateness of the hour, Vice President Foley’s presentation was waived.

3. UPDATE ON BOARD OF GOVERNORS ACTIVITIES FOR LOS ALAMOS NATIONAL SECURITY, LLC (LANS) AND LAWRENCE LIVERMORE NATIONAL SECURITY, LLC (LLNS)

Regent Parsky discussed federal budget constraints and workforce restructuring activities at both the Los Alamos and Lawrence Livermore laboratories. He reported that, under the leadership of both laboratory directors, there has been significant reduction in workforce without having to resort to involuntary separations. He expressed satisfaction with the progress that is being made in meeting the objectives of the Department of Energy, particularly in science, but noted that improvement is still needed in the areas of cyber security, safety, and certain others.

On behalf of the Board, Regent Preuss expressed gratitude to Regent Parsky for his dedicated service on the Board of Governors of the Department of Energy laboratories.
4. APPOINTMENT OF NORMAN J. PATTIZ AS CHAIRMAN OF THE BOARDS OF GOVERNORS OF LAWRENCE LIVERMORE NATIONAL SECURITY, LLC AND LOS ALAMOS NATIONAL SECURITY, LLC; AND INDEMNIFICATION OF HIM WITH REGARD TO HIS SERVICE PURSUANT TO SUCH APPOINTMENT

[Committee Vice Chair Preuss assumed the Chair for this item.]

The Chairman of the Board and the President of the University recommended that:

A. Regent Norman J. Pattiz be appointed as Chairman of the Boards of Governors of Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS), effective March 1, 2008, concurrent with the completion by Regent Gerald L. Parsky of his term on the Board of Regents and his service as Chairman of each of the LLC Boards of Governors.

B. The Regents act to indemnify Mr. Pattiz against claims or litigation arising from his service pursuant to this appointment, to the same extent and subject to the same limitations as are prescribed by California law with regard to University employees acting within the course and scope of their employment.

C. The President and the Chairman of the Board be authorized to issue a confirmation of this appointment, together with terms of appointment necessary and appropriate to implement these actions.

At the meeting of November 15, 2007, the Regents approved an amended policy prescribing the procedure for the University’s appointment of individuals to the Executive Committees of the Boards of Governors. In accordance with that policy, the Chairman of the Board and President of the University recommend a selected candidate or candidates to the Regents, through the Committee on Oversight of the Department of Energy Laboratories, for consideration and approval.

Regent Parsky will be completing his term as a Regent on March 1, 2008, and will be resigning as Chairman of each of the two LLC boards therewith. Consequently, a vacancy in the position of Chairman of each board is imminent and, pursuant to the amended Regental policy, a University-appointed Chairman is to be drawn from the ranks of Regents.

Regent Pattiz has served as a member of the Committee on Oversight of the Department of Energy Laboratories since 2001 and as its Chair since 2005. In addition, he has served as a University Member Advisory Governor to the boards of LANS and LLNS since 2007. (A Member Advisory Governor is a non-voting position on the LANS and LLNS boards. There are four such positions on each board, two of which are filled by appointment by the University and two of which are filled by appointment by Bechtel.)
The President and Chairman will issue to Regent Pattiz an appointment confirmation containing a brief outline of his authorities and responsibilities as the University’s lead representative on the boards of LANS and LLNS.

Since Mr. Pattiz is presently Chair of the Committee on Oversight of the Department of Energy Laboratories, he recused himself from the Regents’ decision on this action. Upon motion duly made and seconded, the Committee approved the Chairman’s and President’s recommendation and voted to present it to the Board, Committee Chair Pattiz abstaining.

Committee Chair Pattiz thanked Regent Parsky for promoting his appointment as Chairman of the LLC Boards.

5. **AUTHORIZATION TO APPROVE AND EXECUTE MODIFICATION TO THE DEPARTMENT OF ENERGY CONTRACT FOR THE LAWRENCE BERKELEY NATIONAL LABORATORY TO AMEND CLAUSES AS A RESULT OF CHANGES TO THE FEDERAL ACQUISITION REGULATIONS AND THE ISSUANCE OF DEPARTMENT OF ENERGY ACQUISITION LETTER AL2007-12**

The President recommended that he be authorized to execute modifications to the provisions of Lawrence Berkeley National Laboratory (LBNL) contract DE-AC02-05CH11231 in order to incorporate revisions to three clauses.

From time to time, changes are necessary to reflect the ongoing agreement between the University and the Department of Energy. As a result of updates to the Federal Acquisition Regulations (FAR) and the issuance of Acquisition Letter AL2007-12, the Department of Energy has requested that two standard clauses and one clause in Section C, Description/Specs./Work Statement of the LBNL prime contract be updated as follows:

- **Clause I.16 FAR 52.19-9 Small Business Subcontracting Plan** is revised to add definitions for Alaskan Native Concerns and Indian Tribes as well as updating clause language to reflect those definitions.

- **Clause I.21 FAR 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation** is revised to change the applicability to subcontracts from those over $100,000 to those that may employ laborers or mechanics.

- **Clause C.4 Statement of Work** is revised to comply with implementing guidance for Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management.

The table of contents for the LBNL contract will be revised accordingly.

Regent Allen noted that Executive Order 13423 has called for agencies to reduce greenhouse gas emissions by 3 percent annually, or 30 percent by 2015, with a baseline year of 2003.
He expressed the hope that progress was being made toward that goal and asked that at a future meeting or privately he be given a report on that progress. Vice President Foley responded that he would provide him with an update.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.

The meeting adjourned at 1:00 p.m.

Attest:

Secretary and Chief of Staff