

The Regents of the University of California

**COMMITTEE ON OVERSIGHT OF THE
DEPARTMENT OF ENERGY LABORATORIES**

May 17, 2007

The Committee on Oversight of the Department of Energy Laboratories met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Blum, Dynes, Marcus, Parsky, Pattiz, and Schreiner; Advisory member Oakley

In attendance: Regents Coombs, Gould, Hopkinson, Island, Johnson, Ledesma, Lozano, Ruiz, Schilling, and Varner, Regents-designate Allen, Brewer, and Bugay, Faculty Representative Brown, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Foley, and Sakaki, Chancellors Birgeneau, Drake, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Blumenthal, and Recording Secretary Smith

The meeting convened at 12:05 p.m. with Committee Chair Pattiz presiding.

1. REMARKS OF THE CHAIR

Committee Chair Pattiz addressed comments made during the earlier public comment period regarding nuclear weapons and the University’s involvement. He stated that those who spoke are not alone in their concerns about the subject of nuclear weapons, and that the Regents share concern over the debate around the efficacy of nuclear weapons. Committee Chair Pattiz stressed that the concerns expressed during public comment were legitimate and that they have been heard by the Regents, and suggested that comments also be addressed to elected officials.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

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

The Committee recessed at 12:14 p.m. due to a disruption.

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The Committee reconvened at 12:52 p.m. with Committee Chair Pattiz presiding.

3. **STATUS OF COMPETITION AND OTHER MATTERS AT THE DEPARTMENT OF ENERGY LABORATORIES**

Vice President Foley reported that on May 8, 2007, the National Nuclear Security Administration awarded Lawrence Livermore National Security LLC (LLNS) the operating contract for the Lawrence Livermore National Laboratory (LLNL). On October 1, 2007 the contract scope of work will expand to cover total operational responsibility for Livermore. Details of the proposal, and the roles of other team partners such as the Battelle Memorial Institute and Texas A&M, will be publicized by LLNS in the coming weeks, after the ten-day protest period has expired.

Mr. Foley recognized the efforts of Laboratory Director Miller and his team for their proposal, which was technically superior to the competitors' proposals. The NNSA highlighted the capability of the University team to perform the critical scientific work of the laboratory. The University pursued the LLNL contract in an effort to direct its scientific mission toward the support of important national needs. It is this mission that continues to drive the University's participation in the national laboratories.

Mr. Tom Giaconda, former head of the Department of Energy's Defense programs, is the LLNS transition leader. Mr. Foley stated that Ms. Barbara Peterson continues to offer strong leadership during the transition, and that Associate Vice President Boyette and her staff are to be commended for their work on employee transition issues.

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

Board of Governors Chairman Parsky reported on key items from the most recent LANS and LLNS Board of Governors meetings. Regent Parsky stated that he and the Regents are extremely pleased at the ability of the University to remain in a lead role in all of the laboratories. He commended Vice President Foley and his team for their work on both laboratory bids, and commended the oral presentations by Laboratory Directors Miller and Anastasio. The Secretary of Energy has indicated to Regent Parsky that the quality of the involvement of the Board at LANS is appreciated by the Department of Energy, and its agents are looking forward to similar involvement from the Board of LLNS. Regent Parsky also stated that the quality of the oversight of the laboratories in the Office of the President is professional and at the highest level. The structure of the involvement of the University in the laboratories has changed. Moving forward, and with the objective of securing incremental funds for science and research, the University will be assessing the appropriate way to deal with these changes. A standing committee for security has been created for LANS, and a similar committee will be established for LLNS.

5. **REPORT ON THE NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA) VISION FOR THE NUCLEAR WEAPONS COMPLEX OF 2030**

Mr. Glenn Mara, Principal Associate Director for Weapons Programs, Los Alamos National Laboratory, provided a summary of the vision for the Nuclear Weapons Complex of 2030, a key NNSA initiative in which both Los Alamos National Security, LLC (LANS), and Lawrence Livermore National Security, LLC (LLNS) are integrally involved.

Mr. Mara reported that the University's technological base has allowed the national policy makers to sustain the stockpile without a return to underground testing. The current NNSA vision is to continue to transfer to an appropriate 21st century deterrent, an approach that seeks to sustain a credible nuclear deterrent with the fewest weapons consistent with US national security. This will be accomplished through a smaller number of nuclear and conventional weapons, a strong investment in defensive capabilities including intelligence, and a very responsive infrastructure. There is an additional emphasis on safety and security of the deterrent to make it robust against any threat, including accident, fire, natural disaster, or theft of a weapon, in which case the weapon would be rendered ineffective and useless. The main themes of the vision are to maintain a smaller stockpile that is safer under all potential environments, has a lower infrastructure cost, is more environmentally sound, and can be certified without a need to return to underground testing.

To meet these demands and goals will require a reduction in the number of locations with special nuclear materials, consolidation of plutonium research, modernization of uranium work, increased dismantlement of stockpiles, outsourcing, and consolidation of key scientific facilities as user facilities. Supercomputing, primarily led by LLNS, plays a key role in this consolidation, and is one of the key elements that the University brings to the effort.

Transformation is under way at LANS, including a new national security building to bring together scientists and engineers, security upgrades, consolidation of appropriate activities, footprint reduction, replacement of the chemistry and metallurgy research facility, and an upgrade of radioactive liquid waste treatment facilities. The commitment of the Laboratory is that absolutely no materials will be released to the environment.

Both LANS and LLNS are working with the NNSA complex to provide technical support for facility life extension programs, move material transfer to the Nevada Test Site, provide a protective barrier between experiments, and accept nuclear materials from other facilities.

Regent Parsky and Chairman Blum commended and thanked Mr. Mara for his work at Los Alamos.

6. **APPOINTMENTS TO THE EXECUTIVE COMMITTEE OF THE BOARD OF GOVERNORS OF LOS ALAMOS NATIONAL SECURITY, LLC AND INDEMNIFICATION OF APPOINTEES**

The Chairman of the Board of Regents and the President of the University jointly recommended that Executive Vice President Darling and Mr. William R. Frazer be appointed as Governors of the Executive Committee of the Board of Governors of the limited liability company known as Los Alamos National Security, LLC; and that (a) they be indemnified against claims and liabilities that may arise in the course and scope of their service as Governors, to the same extent as is permitted by California law and University policy to be extended to University employees, and (b) the President be authorized to issue any terms of appointment necessary to implement such indemnification.

It was recalled that, by action at the meeting of March 15, 2006, The Regents adopted a policy on appointment of individuals to fill vacancies on the Executive Committee of Los Alamos National Security, LLC. In accordance with that policy, the Chairman and President recommend a candidate or candidates to The Regents, through the Committee on Oversight of the Department of Energy Laboratories, for consideration and approval. The current UC Executive Board members are Regent Parsky, Chairman of the LANS Board of Governors, and interim appointees Executive Vice President Darling and Mr. Frazer.

Since June 1, 2006, the Los Alamos National Laboratory has been managed and operated by Los Alamos National Security, LLC (LANS), a limited liability company owned and controlled by the University, Bechtel National, Inc., BWX Technologies, Inc., and Washington Group International, Inc. The governance structure of LANS includes a Board of Governors that is charged with oversight and governance of the company. A six-person Executive Committee is the decision-making body of the Board of Governors. The LANS LLC Agreement entitles the University to appoint individuals to three positions on the LANS Executive Committee, including the Chair. The Regental policy adopted in March 2006 prescribes the mechanism for nominating and appointing UC representatives to such positions.

This action will also serve to indemnify Mr. Darling and Mr. Frazer against claims and liabilities arising from their service as Governors, to the same extent as the University is required or permitted to indemnify its employees under California law.

Mr. Darling is an officer and employee of the University. His actions as a LANS Governor pursuant to this appointment are within the course and scope of his employment. Consequently, this action ratifies the indemnification the University

is required to provide to him by California Government Code Section 825.

Mr. Frazer is a former officer and employee of the University and, as such, this action is consistent with and ratifies the indemnification authority set forth in Regents' Standing Order 100.4(dd)(9).

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

7. **PROSPECTIVE AMENDMENTS TO UNIVERSITY BYLAWS AND
STANDING ORDERS AS A RESULT OF NEW LABORATORY
GOVERNANCE STRUCTURES**

Vice President Foley described the President's initiative to revise the Board's current Bylaws, Standing Orders, and Policies to address necessary issues related to the University's role as an LLC member in the management of the national laboratories and to bring them into alignment with the University's responsibilities.

The meeting adjourned at 1:17 p.m.

Attest:

Secretary and Chief of Staff