

The Regents of the University of California

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

March 28, 2012

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 De La Peña, Pattiz, Ruiz, and Varner; Ex officio members Gould, Lansing, and Yudof; Advisory members Powell and Rubenstein

In attendance: Regents Hallett, Island, Kieffer, Lozano, Makarechian, Mireles, Newsom, Pelliccioni, Reiss, Schilling, Wachter, and Zettel, Regents-designate Mendelson and Stein, Faculty Representative Anderson, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, Deputy General Counsel Birnbaum, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Fox, Katehi, Leland, White, and Yang, and Recording Secretary McCarthy

The meeting convened at 10:15 a.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 January 18, 2012 were approved.

2. **UPDATE ON THE DEPARTMENT OF ENERGY LABORATORIES**

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Pattiz reported that on March 15, 2012 scientists at the Lawrence Livermore National Laboratory (LLNL) surpassed a critical milestone toward their goal of achieving fusion ignition at the National Ignition Facility (NIF), when 192 lasers were fired in perfect unison, creating a record 1.875 million joules of ultraviolet laser light to the facility's target chamber center. This historic laser shot involved a shaped pulse of energy 23 billionths of a second long that generated 411 trillion watts of peak power, or one thousand times more than the entire United States uses at any instant. Committee Chair Pattiz congratulated NIF Director Ed Moses and his team at LLNL.

Researchers at Los Alamos National Laboratory (LANL) have also set a world record, when the Pulsed Field Facility produced a 100-tesla magnetic field, the strongest ever delivered by a nondestructive magnet, roughly equivalent to two million times the Earth's magnetic field.

Committee Chair Pattiz stated that the same financial pressures facing the whole University also affect the National Laboratories. He cited the example of the LANL Chemistry and Metallurgy Research Replacement Project, which has been postponed for five years because of budget constraints. Over 500 LANL laboratory employees have taken voluntary retirement as a part of workforce reduction. He emphasized that the University plays a unique role at the National Laboratories, different from the role of private sector partners operating on a for-profit basis.

Committee Chair Pattiz reported that he, the Laboratory directors, and Vice President Darling had a productive meeting with the Academic Council Special Committee on Laboratory Issues the prior week. Faculty Representative Powell stated that the meeting provided the Academic Senate the opportunity to focus its attention on the recent National Research Council (NRC) report "Managing for High-Quality Science and Engineering at the NNSA National Security Laboratories." He added that the NIF is creating entirely new areas of science, such as high energy density materials science.

Regent Ruiz expressed concern about some conclusions of the NRC report on the management and operations contracts for the three National Security Laboratories, LANL, LLNL, and Sandia National Laboratory. Committee Chair Pattiz responded that the NRC review dealt with the increase in regulation of these Laboratories since the formation of the National Nuclear Security Administration (NNSA); the regulation had become increasingly intrusive and costly in the overall operation of the Laboratories. He reported that the NRC review agreed with this assessment. The ability of the National Security Laboratories to conduct their scientific operations was being hindered by a climate of overregulation. Mr. Darling stated that there were 130 regulators at LANL and about 85 at LLNL. Committee Chair Pattiz stated that this situation had been a subject of discussion between the Laboratories' boards, the NNSA, and the Department of Energy (DOE) for some time. The NRC report simply confirmed the position of the Laboratory management regarding the effect of overregulation on the Laboratories' ability to conduct research.

Mr. Darling added that this study had been called for by Congress because of its concern that the level of intrusive management of the LANL, LLNL, and Sandia National Laboratory by the NNSA was impairing the Laboratories' ability to deliver their assigned national security mission. Phase one of the study had just been completed and one key finding was that funding was being allocated to the Laboratories in such small increments that their directors were unable to make necessary management decisions in order to fulfill the Laboratories' scientific missions. The study recommended relaxing restrictions on funding and allocating funding in larger quantities. In addition, the study recommended that the NNSA should reduce its oversight of the Laboratories in order to allow the Laboratories to meet their scientific missions. The study reaffirmed that the

Laboratories have made such progress in safety and security that the NNSA should no longer provide additional oversight in those areas. Mr. Darling summarized that the study was an affirmation of the progress that has been made under the LLC management structure. The NRC study will proceed to phase two, which will study whether the intrusive regulatory climate has affected the quality of science and engineering at the National Security Laboratories; phase two is scheduled to be completed in a year. Mr. Darling reported that NNSA has accepted the study's criticisms, and NNSA and Congress will make changes. There have been hearings on this subject before the Strategic Forces Subcommittee of the House Armed Services Committee; committee members have said that they agree with these criticisms as well, including the criticisms of Congress. Committee Chair Pattiz stated that the Laboratories are Federally Funded Research and Development Centers and the University must protect their scientific mission.

Regent Varner noted that the directors of the LANL and LLNL had briefed Congressional committees on these matters very effectively, which he thought would have benefits in future funding.

Mr. Darling added that Secretary of Defense Leon Panetta had supported the National Security Laboratories in their expressed concerns.

3. **ADOPTION OF POLICY ON SECURITY CLEARANCE FOR ACCESS TO FEDERAL CLASSIFIED INFORMATION**

The President recommended that the Policy on Security Clearance for Access to Federal Classified Information be adopted as shown in Attachment 1.

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Pattiz stated that this item involved the establishment of a policy to approve exclusion resolutions for all new uncleared key management personnel, including Regents. This practice will document that uncleared personnel do not have access to classified information and will conform the University's security clearance procedures to federal laws and regulations.

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

The meeting adjourned at 10:50 a.m.

Attest:

Secretary and Chief of Staff

**POLICY ON SECURITY CLEARANCE
FOR ACCESS TO FEDERAL CLASSIFIED INFORMATION**

For the purposes of security clearance for matters involving federal classified information, the positions listed below shall be known as Key Management Personnel (KMP). These positions have authority and responsibility with respect to the entirety of the University and, included therein, for the negotiating, execution, and administration of United States Government contracts as described in the National Industrial Security Program Operating Manual (NISPOM). In such positions, a KMP ordinarily has access, absent exclusion, to all information in possession of the University, including classified information and/or special nuclear material. Pending issuance of the required access authorization, a KMP shall be excluded from all access to classified information and/or special nuclear material and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.

- Ex-Officio Regents – the Governor, Lieutenant Governor, Speaker of the Assembly, Superintendent of Public Instruction, President and Vice President of the Alumni Associations of the University of California, and the President of the University of California;
- Regents appointed by the Governor;
- Student Regent appointed by the Regents;
- Faculty representatives – the Chair and Vice Chair of the Academic Council;
- The Principal Officers of The Regents – the Secretary and Chief of Staff, the Chief Investment Officer and Vice President for Investments, the General Counsel and Vice President for Legal Affairs, and the Senior Vice President - Chief Compliance and Audit Officer, including such deputies, associates and assistants of the Principal Officers as are designated Officers of the Corporation by the Principal Officers in their respective areas of responsibility pursuant to Bylaw 20.2; and
- Certain other Officers of the University – the Provost and Executive Vice President for Academic Affairs, and the Executive Vice President for Business Operations.

Any individual appointed or assuming a KMP position shall be immediately excluded by resolution of the Board from access to classified information and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material until receipt of the required access authorization, unless such individual currently possesses a personnel security clearance at the level of the University's facility clearance.