

The Regents of the University of California

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

November 13, 2013

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

Members present: Regents Blum, De La Peña, Gould, Island, Newsom, Pattiz, and Schultz; Ex officio members Brown, Lansing, Napolitano, and Varner; Advisory member Gilly

In attendance: Regents Feingold, Flores, Kieffer, Makarechian, Pérez, Ruiz, Torlakson, and Wachter, Regents-designate Engelhorn, Leong Clancy, and Saifuddin, Faculty Representative Jacob, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Duckett, Lenz, Mara, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Dirks, Drake, Katehi, Khosla, Leland, and Wilcox, and Recording Secretary McCarthy

The meeting convened at 11:35 a.m. with Committee Chair Pattiz presiding.

**1. APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meetings of July 18, 2013 and September 19, 2013 were approved.

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

[Background material was provided 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 thanked those who attended the September tour of Lawrence Livermore National Laboratory (LLNL).

Committee Chair Pattiz discussed the leadership of the National Laboratories. Vice President for Laboratory Management Mara would retire soon and a search will be led by Provost Dorr for his successor in this crucial position. The LLC management structure of the LLNL and Los Alamos National Laboratory (LANL) was created at the request of the Department of Energy (DOE) because of management problems that had developed over time. The DOE determined that it would be beneficial to have private contractors manage certain aspects of the Laboratories' operations; the University is responsible for their scientific and research mission. Committee Chair Pattiz stressed the importance of UC's having the strongest possible representation in the LLCs to ensure

that the University's interests, different from those of the private contractors, are advanced. The National Laboratories are a Federally Funded Research and Development Center and one of their primary missions is nuclear stockpile security; other important missions include research on climate modeling and alternate energy sources, among others.

Parney Albright's two-year commitment as Director of LLNL has ended, and Bret Knapp has been appointed Interim Director. Committee Chair Pattiz said the Lawrence Livermore National Security LLC (LLNS) would work closely with President Napolitano to conduct a broadly based search for a new LLNL director. In addition, Committee Chair Pattiz's term as Regent will expire in March 2014. Another vacancy also exists for a Regent in a non-voting University position on the LLNS and LANS Boards of Governors. A new Secretary of Energy took office in May, making it even more important that the University have strong representation. Committee Chair Pattiz commented that effects of the federal government shutdown were felt immediately at the National Laboratories, which rely on federal funding. Vice President Mara added that Secretary of Energy Ernest Moniz recognizes the value of UC's role as an unfettered voice of scientific expertise at the National Laboratories. The University's commercial partners in the Laboratories' management have a different, profit-based motive. Mr. Mara expressed confidence that the University's values would be maintained during this time of leadership transition.

Governor Brown asked whether the scientists at the National Laboratories give advice to the federal government about current national policies regarding nuclear weapons. Mr. Mara clarified that the University and its scientists do not make policy, but rather provide the technical basis that can inform policy decisions. He noted that some federal government departments are currently more prescriptive in their oversight of the work at the Laboratories, as supported by a recent report of the National Academies. Directors of the National Laboratories have testified before Congress that they are concerned about the increased compartmentalization of funding and the more prescriptive oversight. Committee Chair Pattiz added that the LLC structure of Laboratory management with private partners is more expensive than the former structure under which the University managed the Laboratories as a service to the nation and was paid only its costs. Under the LLC management structure, the University receives a portion of the Laboratories' management fee that it can direct toward its own research. Government oversight has increased greatly since the LLC structure has been in place.

Governor Brown commented that the function of the Laboratories has changed as national policies have changed, and asked Mr. Mara for his opinion about the current degree of creativity and dynamism at the National Laboratories. Mr. Mara responded that it would be best to look at independent peer reviews. The National Academies' recently completed two-phase study of the quality of science, engineering, and technology at three National Laboratories, LANL, LLNL, and Sandia National Laboratory noted that increased prescriptive oversight might not engender the most effective stewardship of the Laboratories' enterprise, describing the current management relationship as dysfunctional and in need of attention. Phase two of the study looked in particular at the technical excellence of the Laboratories' scientific projects, and concluded that their

quality is very high. Mr. Mara added his personal view that the quality of the science at the Laboratories has been sustained to the University's high standards. Committee Chair Pattiz noted the importance of the Laboratories' work in other areas with implications for national security such as climate change.

President Napolitano stated that the Laboratories' leadership transition must be approached in a measured, careful manner, given the importance of their work to the University. She asked whether the DOE had notified the University when it would complete its payments to UC's pension system. Mr. Mara replied that the DOE had made a partial payment, but was still \$80 million in arrears according to the terms of its contract. DOE has communicated its intent to make full payment.

Mr. Mara commented that, while the quality of the science performed at the National Laboratories has remained excellent, overly prescriptive management and federal fiscal instability could lead to a deterioration of quality in the future.

Chairman Varner agreed with the importance of managing this leadership transition properly.

The meeting adjourned at 12:20 p.m.

Attest:

Secretary and Chief of Staff