The Regents of the University of California

NATIONAL LABORATORIES SUBCOMMITTEE
September 14, 2016

The National Laboratories Subcommittee met on the above date at the Luskin Conference Center, Los Angeles campus.

Members present: Regents De La Peña, Napolitano, Pattiz, and Schroeder; Ex officio member Island, Advisory member Mancia; Chancellors Khosla and Yang

In attendance: Regents Brody, Lozano, Ortiz Oakley, and Ramirez, Regent-designate Monge, Secretary and Chief of Staff Shaw, Senior Vice President Peacock, Vice Presidents Brown and Budil, Interim Vice President Handel, Deputy General Counsel Friedlander, Chancellor Block, and Recording Secretary McCarthy

The meeting convened at 11:50 a.m. with Subcommittee Chair Pattiz presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of the Committee on Oversight of the Department of Energy Laboratories of July 21, 2016 were approved.

2. UPDATE ON THE NATIONAL 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.]

Subcommittee Chair Pattiz gave a brief overview of the University’s relationship with the National Laboratories, spanning more than 60 years. The structure of the University’s oversight of Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL) changed significantly when the Department of Energy (DOE) decided that those Laboratories would be managed by limited liability companies (LLCs) consisting of the University, Bechtel, and other smaller private sector partners. The private sector partners were generally responsible for the administrative and operational aspects of the Laboratories. The University’s commitment to the National Laboratories is a public service to the nation. Government oversight of the Laboratories has increased.

Subcommittee Chair Pattiz observed that there had been some operational difficulties recently at LANL. The performance of the University has been top quality, but the University had been penalized financially for some LANL shortcomings over which UC had no control. The National Nuclear Security Administration (NNSA) had decided that the contract for management of LANL would be put out for competitive bids. The University was asked to extend its contract for 1.5 years during the re-competition process and had agreed to do so under certain terms. The end of the contract would be in
the latter part of 2018. The NNSA asked that the director of LANL be kept on during the contract extension period. Subcommittee Chair Pattiz expressed his view that the director had performed well under difficult circumstances.

Vice President Budil added that, unlike LANL and LLNL, the Lawrence Berkeley National Laboratory (LBNL) is managed exclusively by the University, which is responsible for both its science and technology mission execution and its business operations. There had been a number of operational challenges at LBNL. Logistics are complicated by the Laboratory’s hillside site. Over the past two years, a new framework was developed for operations at LBNL. A new institutional assurance plan was agreed upon with the DOE, providing a framework for risk management and a series of actions the University agreed to undertake. These include expert reviews that would draw upon capabilities both at UC and from the broader community.

Ms. Budil highlighted two notable new projects at LBNL. Under the guidance of the DOE Office of Environmental Management, the first phase of demolition was nearly completed of Old Town, a series of contaminated buildings on a site that would offer one of the few remaining areas for new buildings at LBNL. In addition, the former site of the Bevatron was being transformed into a campus for biosciences. The first building there, the Integrative Genomics Building was close to receiving DOE’s Critical Decision 3, the agreement to proceed with construction. That building would bring the Joint Genome Institute from Walnut Creek back to the LBNL campus. Five buildings are planned for the site, to provide a common location at LBNL for biosciences staff currently at various locations around the Bay Area and beyond.

Subcommittee Chair Pattiz commented on the importance of input from National Laboratory experts during recent negotiations regarding Iran’s nuclear program. He emphasized the reputational benefit to the University of its affiliation with the Laboratories, and the importance of the interaction among the Laboratories and the UC campuses.

The University would have to determine if it would participate in the LANL bidding process, on what terms, and with what partners. Regardless of the LANL outcome, Lawrence Livermore National Security would still manage LLNL.

Ms. Budil added that, since the LANL current contract would end September 30, 2018, the contract competition would typically start early in 2017. However, there were currently two DOE contract competitions under way, for the Nevada National Security Site and Sandia National Laboratories. She anticipated that both of those would need to be completed before the LANL competition would be undertaken. Subcommittee Chair Pattiz observed that no other institutions have the capacity UC has to run the Laboratories.

Chancellor Khosla commented that the opportunities for synergies, access, and research make management of the National Laboratories beneficial to the University. He
suggested exploring ways to structure maximized interactions among all ten UC campuses and the Laboratories.

The meeting adjourned at 12:20 p.m.

Attest:

Secretary and Chief of Staff