LabUPDATE

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News about the Berkeley, Livermore and Los Alamos national laboratories, which are managed by the University of California for the U.S. Department of Energy

RESEARCH AND PUBLIC SERVICE NEWS

NATIONAL SECURITY: Los Alamos made the first nuclear weapon pit in 14 years that meets specifications for use in the U.S. stockpile. The six-year effort at Los Alamos's plutonium facility restores the nation's ability to make nuclear weapons, a capability the U.S. lost when the Rocky Flats Plant near Boulder, Colo., closed in 1989.

Los Alamos was chosen to restore the nation's pit-making capability because of its extraordinary, longstanding plutonium expertise and full-capability plutonium facility. More than 700 staff and contractors were involved. The newly made pit is for the W88 warhead, carried on the Trident II submarine, a cornerstone of the U.S. nuclear deterrent.

The laboratory must now certify its manufacturing process and the pits it produces to prove it can deliver, by 2007, a pit to the military that meets all stockpile requirements.

The lab will be capable of making, if needed, about 10 pits per year as replacements for those pulled out of the stockpile for study or found to have problems that might affect safety, reliability or performance.

HOMELAND SECURITY: Lawrence Livermore dedicated a Radiation Detection Center for developing advanced technologies to help detect and identify clandestine nuclear materials and nuclear devices that might be used by terrorists. For example, the Laboratory is developing a system called RadNet, combining the features of a cell phone, radiation sensor, personal digital assistant, Internet access and a Global Positioning System locator. RadNet could be deployed in a network of customs agents, police, firefighters and others to create a large-area detector that picks up and transmits the locations of medical isotopes,

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Message from the president

Note: The following statement was issued on April 30, 2003, after the Secretary of Energy announced his intention to compete the Los Alamos contract.

The University of California appreciates the strong statement of support issued today by Secretary of Energy Spencer Abraham. We are grateful that the Secretary recognizes the "vigorous action" the University has taken to remedy the business

problems at Los Alamos National Laboratory, the "significant value" the University brings to the science, and the "significant disruption" that termination would have caused to the Laboratory's mission and to the morale of employees involved in protecting the nation's security.

I also appreciate that the Secretary is urging the University of California to compete. My instinct continues to be to compete in order to continue the University's stewardship of excellence in science and innovation. We believe, with every fiber of our institutional being, that continued UC management is in the absolute best interests of the nation's security.

However, there is another question at stake – and that is whether the University *should* compete. The answer to that is less clear, and it goes to the fundamental nature of these particular government laboratories and the historical reasons why the University was asked to manage them as a public service. The ultimate decision whether to compete will have to be made by the UC Board of Regents. In making their decision, they will have to grapple with a number of critical issues, including the terms and conditions, the implications that a competition will have on the scientific work and integrity at the laboratory, and whether it would result in any compromise of academic standards. I expect these issues to be addressed in the coming months.

The final paragraph of the report submitted to the Secretary includes a very important observation that is worth repeating: "The failures of Los Alamos are real, but they are the failures of a few." We have always believed that the overwhelming number of Los Alamos employees are honest, hardworking, and dedicated to the nation's security. The University of California and Los Alamos continue to work aggressively to ensure that these isolated failures do not deter from the Laboratory's excellent scientific contributions. The University and Laboratory remain focused on our immediate responsibilities to continue to ensure the safety and reliability of America's nuclear weapons and to respond to the national security and scientific needs of our nation. UC is extremely proud of the contributions to the country and the world that have resulted from our 60 years of managing LANL in partnership with the Department of Energy.

Richard C. Atkinson

President, University of California

This statement and other Los Alamos information can be reached at http://www.ucop.edu/news/archives/2003/apr30art1.htm

President Atkinson's testimony to the May 1 meeting of the House Energy and Commerce Committee's Subcommittee on Oversight and Investigations is at http://www.universityofcalifornia.edu/news/losalamos/0503hearing.html

Research and public service news (continued from front)

industrial radiation sources – or "dirty bomb" materials.

On the same day, the Laboratory co-hosted a Homeland Security Executive Summit of California Emergency Responders. The summit was co-sponsored by Congresswoman Ellen Tauscher, the California National Guard and Sandia-Livermore. Participants included Tauscher; George Vinson, director of the Calif. Office of Homeland Security; Major General Paul Monroe, Adjutant General of the Calif. National Guard; Spike Helmick, Calif. Highway Patrol Commissioner; and others.

SOLVING LIFE'S SECRETS: The Joint Genome Institute in Walnut Creek, a consortium of Lawrence Livermore, Lawrence Berkeley and Los Alamos collaborating with other laboratories, joined the U.S. Department of Energy and the National Institutes of Health in announcing completion of the Human Genome Project on the 50th anniversary of the momentous revelation of the now-famous double helix structure of DNA. Among other contributions, the Joint Genome Institute sequenced human chromosomes 5, 16 and 19. It has grown from a single-purpose DNA sequencing facility to a full-fledged genomic research center, and is now gearing up to sequence and study a wide variety of additional organisms. The work promises to provide insights into activities central to DOE's mission; e.g., environmental cleanup, energy production and global climate change.

SCHOLARSHIPS: Los Alamos awarded scholarships to 47 high school seniors and college students using the LANL Employees Scholarship Fund. Awards ranged from one-year renewable scholarships of \$1,000 to each of 26 students to the "platinum scholarship" of \$10,000 per year for four years to a Taos High School senior. This year, for the first time, the University of California also is awarding seven Nonresident Tuition Waiver scholarships. These \$12,500-a-year, renewable, four-year scholarships give these Northern New Mexico students financial assistance to attend a UC campus at the in-state tuition rate.

NANOTUBES: Berkeley Lab scientists have created insulated electrical wires that are about 100,000 times narrower than a human hair. These insulated carbon nanotubes could serve as the basis of coaxial cables or a system for wiring electronic devices such as transistors. "The ability to insulate nanowires opens up new possibilities for nanoelectronics," says Alex Zettl, a physicist with Berkeley Lab's Materials Sciences Division and UC Berkeley's Physics Department, who led the research.

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U.S. Department of Energy: www.energy.gov
National Nuclear Security Administration: www.nnsa.doe.gov
Lawrence Berkeley National Laboratory: www.lbl.gov
Lawrence Livermore National Laboratory: www.llnl.gov
Los Alamos National Laboratory: www.lanl.gov

Please direct questions about this newsletter to Jeff Garberson, University of California Office of the President, (510) 987-0105, jeff.garberson@ucop.edu

MANAGEMENT NEWS

Secretary of Energy continues contract until competition in 2005

Secretary of Energy Spencer Abraham announced that DOE will continue the Los Alamos contract through its normal expiration in 2005, and then compete it. The announcement followed his acceptance of a report by Deputy Energy Secretary Kyle McSlarrow and Acting National Nuclear Security Administrator Linton Brooks recommending those actions. The Secretary praised UC's "vigorous" response to problems uncovered at Los Alamos and noted the "significant value" the University brings to science at the Lab, including a "culture of scientific skepticism and peer review." However, he also noted "systematic management failures" for which "the University bears responsibility." As a result, he said, "I intend to open the management of Los Alamos to full competition when the current contract expires." He said that UC would be eligible to compete and in fact urged UC to do so. The Secretary's remarks and related material can be found at http://www.energy.gov/HQPress/releases03/aprpr/ pr03091.htm

Independent review recommends business practice changes

A two-month independent review of key business practices at Los Alamos National Laboratory by the accounting firm Ernst & Young LLP, retained for that purpose by the University of California, has resulted in seven reports containing 92 observations and recommendations for improved performance. The review is the second major investigation of Los Alamos sponsored by the University this year. The earlier one focused on procurement issues. The E&Y review examined business practices and then created a road map for improved performance. Ernst & Young carried out its work using a team of more than 30 analysts delving into processes and controls in accounts payable, banking including DOE funding, budget execution, cash receipts and work for others, information technologies, payroll, and property management and accounting.

A few of the many recommendations set forth in detail by E&Y are:

- Move toward state-of-the-art electronic banking processes and controls for efficiency and security
- Standardize budget software with an off-the-shelf product
- Unify Information Systems management to standardize functions and processes, eliminate duplication and improve communication
- Clarify standards and line management responsibility in order to improve consistency and reduce the risk of unauthorized access to key financial applications.
- Strengthen the Local Vendor Agreement program through a series of steps including independent audits and reviews and cracking down on policy violations

A fact sheet and the Ernst & Young reports are available on the web from http://www.universityofcalifornia.edu/news/losalamos/E&Yreport.html

In conformance with applicable law and UC policy, the university is an affirmative action/equal opportunity employer. Please send inquiries regarding the UC's affirmative action and equal opportunity policies for staff to director Mattie Williams and for faculty to executive director Sheila O'Rourke, both at: UC Office of the President, 1111 Franklin St., Oakland, CA 94607.