

MESSAGE TO NATIONAL LABORATORY EMPLOYEES

President Robert C. Dynes

January 29, 2004

It has been three months since I became President of the University of California, and in that time I have gained an even deeper appreciation for the breadth and distinction of the research being conducted throughout the UC system. A key component of the University's research enterprise is the work of the Lawrence Berkeley, Lawrence Livermore, and Los Alamos national laboratories. These three labs, through both independent and collaborative efforts with one another and with our campuses, continue to make tremendous contributions to the scientific advancement and national security of the United States.

This month, the University of California Board of Regents voted to preserve the University's options to compete for national laboratory management contracts and gave the University the authority to team with industrial partners. A final decision on contract competition will not be made until the terms of the competition are known, but the Regents' action puts the University in the best position to compete if, in fact, that is the ultimate course we pursue.

Because the concept of teaming with industrial partners is a new one, I want to reassure you that the University believes that this approach will further strengthen our management and business practices at the laboratories. By entering into teaming arrangements, the University will be able to demonstrate that we are innovative in our management practices and committed to ensuring that we have the strongest and most effective business and management practices in place.

In the near future, we expect to reach agreement on contracts with industrial partners at the Los Alamos National Laboratory, and we are having initial discussions with potential industrial partners about teaming arrangements at the Lawrence Livermore National Laboratory. It is important to note that both labs are actively involved in defining the scope of work for the industrial expertise at each laboratory.

I recognize that this prospect may raise many questions for employees: What does this mean for the University's overall management at the labs? What about my job? What about the reporting structure? Let me be clear that the University of California continues to manage the national laboratories and will continue to do so under these teaming arrangements. The industrial partners will be brought on to enhance specific aspects of our laboratory management. At Los Alamos National Laboratory, these areas include human resources, supply chain management, procurement, finances, and high hazard facilities management. The specific areas at Lawrence Livermore National Laboratory are still being determined. These teaming arrangements are about supplementing the existing workforce and ensuring that management practices are of the same high level of quality as our scientific and technical programs. The industrial partners would work with the management team at the lab and report to the Director. The partners we are

considering have excellent reputations, and we believe they would only enhance the operations of these critical institutions.

As we move forward, I know many of you will have questions about the competition process and its effects on the labs, the University, and each of you as employees. In an effort to keep you informed about the University's actions, I will be writing periodic columns for your laboratory publications. In addition, I have set up an e-mail account by which you can submit questions as well as suggestions for future columns. This feature, called "Dynes' Desk," is based on an initiative I implemented while Chancellor at UC San Diego, where I found it a very effective way to stay in touch with the community. While I cannot respond personally to every e-mail, I promise that I will read each one submitted and will respond, in future columns and other messages, to the broad concerns and suggestions being expressed. To submit an email to Dynes' Desk, visit www.universityofcalifornia.edu/president/desk.html.

Thank you. We'll be in touch.