

## **PRESIDENT'S REMARKS ON THE LOS ALAMOS NATIONAL LABORATORY**

President Robert C. Dynes  
University of California

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Mr. Chairman and members, I am bringing before you today a proposed action item regarding the University's participation in the competition for the management contract of the Los Alamos National Laboratory.

As you know, last week the Department of Energy released the final Request for Proposals for the Los Alamos competition. We had already been reviewing the draft Request for Proposals for several months, and that period of thorough examination allows us to now move expeditiously with the release of the final RFP.

We have completed a legal analysis of the RFP. We have formed a teaming agreement with Bechtel National, joined by BWX Technologies and Washington Group International, to prepare for the competition and, contingent upon your action, to compete aggressively for the management contract. This is a team that is perfectly positioned to preserve the world-class scientific mission of Los Alamos while maximizing the quality and accountability of the laboratory's business, management, security, and operational functions. We have secured outstanding leadership for this initiative, both in Interim Director Bob Kuckuck and in Mike Anastasio, who will serve as team leader for the competition, and, should we win the competition and upon your approval tomorrow, as the new director of the Los Alamos lab. Mike is a veteran of the national labs, and I cannot think of anyone better positioned to lead this complex enterprise.

And finally, we have examined very thoroughly the challenges, the opportunities, the threats, and the benefits associated with

this competition – from the perspective of both the University of California and the perspective of the nation as a whole.

We are, in my view, prepared to proceed.

The University's management of the national laboratories has been a subject of debate at many points throughout the history of the relationship, and for different reasons at different times. Let me give you a personal perspective.

My own involvement with the labs dates to my days as a physicist at AT&T Bell Laboratories, when I was first asked to serve on a Physics Division advisory committee at Los Alamos. That first time, I said no. I thought I didn't want anything to do with a nuclear laboratory.

The second time they approached me, I thought it over again. I gave it a great deal of thought, actually. And what I concluded was that, in the end, I'd rather be on the inside than on the outside. I'd rather be on the inside – having a voice, playing a role in the decision-making, and bringing the values of good science to the institution – than on the outside looking in. And that has been my basic position ever since.

The last few years have brought new challenges that are clearly worth our serious, thorough consideration. Throughout its 62-year relationship with the University, Los Alamos has made some of the most significant scientific contributions anywhere in the world – the quality of the science at Los Alamos has never been questioned by anyone. The challenges have come in meeting the security requirements of such a complex institution in the 21<sup>st</sup> century, post-9/11 environment, and in maximizing the accountability of the operational functions of the laboratory.

We have brought to these issues a clear commitment to reform and to action. We have made substantial progress. Still, we at the University have recognized that the management of these laboratories in the 21<sup>st</sup> century requires a team effort, one

bringing together skills that are greater than what the University alone can offer. And we have put together a team that I believe is incredibly strong.

I believe we should compete for the Los Alamos contract for three essential reasons: the excellence in science that we bring to the table, the strength of the management team we have put together, and the contribution this unique combination of players can make to the nation.

I want to be clear that this is not just the University competing. This is a new day, and this is a new management approach. This is the University of California joining in partnership with Bechtel, BWXT, and Washington Group International, with each party bringing its respective strengths to the table.

Science and technology are critical to national security. Now, that is an easy statement to make and an easy statement to forget, but I believe it is fundamental to this competition. *We will not have* national security if we do not have the best science, conducted by the best scientists, supported by the highest-quality research organization – which is what we have at the University of California. I believe the teaming arrangement we have put together to prepare for this competition is unique among the competitors in the primacy it accords to the scientific mission of Los Alamos. In this competition, the nation will have a clear choice between a partnership with scientific excellence at its core and other options with defense contracting at their core.

At the same time, this partnership brings the substantial experience of Bechtel, BWXT, and Washington Group International in effective project management, facilities management, safety and environmental management, business management, and nuclear and national security operations. These are world-class, best-in-class partners. We have spent a great deal of time working with these entities, getting to know their people, and getting comfortable with the nature of this new

relationship. I believe we have a team that will work extremely effectively together.

I have read in various places that this competition, for the University, is about “prestige” or is about “holding onto its 60-year contract.” I would respectfully disagree. Whatever the result of this competition, the University of California will go on, and we will continue to be a world center of teaching, research, and public service. We are proposing to compete for the Los Alamos contract because we believe we can make an important contribution to the nation by virtue of the scientific excellence we bring to national security research. For me, it is the public spirit that is at the heart of a public institution that is driving this decision. It is, in the end, about the national interest – the national interest that the University responded to in 1943 when we first went to Los Alamos, and the national interest that calls to us in a new day, with our nation facing a new set of challenges.

And so, Mr. Chairman and members, I am proposing today that The Regents act to authorize the University to join Bechtel, BWXT, and the Washington Group in a bid for the management contract for the Los Alamos National Laboratory. Submission of the bid will be contingent upon the final, mutually satisfactory resolution of the formation of the limited-liability corporation between the University and Bechtel that is required for submission of the bid. We expect that to occur very shortly. With your approval today, we expect to submit a proposal for the management of Los Alamos well within the Department of Energy’s deadline for submissions. And we expect it to be a strong, highly competitive proposal that squarely addresses the interests of both the University and the nation.

With that, Vice President Foley is going to lead us through some presentations by a number of speakers, including Tom Hash of Bechtel National and our other corporate partners. We will have ample time for questions at the conclusion of these presentations. Let me turn now to Vice President Foley.