

What are Some Rationales For and Against UC Managing the National Laboratories?

Academic Council Special Committee on the National Laboratories (ACSCONL)

White Paper II – March 2004

Historically, UC has said that it manages Livermore and Los Alamos on a “no cost/no gain” basis as a national service. The operating budgets (including the cost of University management) of the Livermore and Los Alamos labs are approximately \$1.5 and \$2 billion, respectively. In addition, UC receives about \$15 million per year to (i) cover any “unallowed costs” incurred by the laboratories, (ii) provide for a “contingency fund,” (iii) support campus-laboratory collaboration, and (iv) support research at the laboratories outside specific DOE programs. (iii) and (iv) are returned to Livermore and Los Alamos for their allocation, and while the bulk of the funds have gone to UC collaborations, some has been spent for connections with other Universities and for other purposes. No money from DOE contributes to general university funds, nor is such a use even permitted by UC’s contract with DOE.

Rationales FOR managing the labs include:

- *Management of the Labs is a public service to the country.* Indeed, national security requires the highest possible level of technical and managerial expertise in maintaining the country’s strategic weapons. This rationale is often based on two distinct but related claims:
- University management is better than corporate management at leading basic and applied scientific and technical work requiring a long-run time horizon. One aspect of this is that UC management is said to play a critical role in recruiting and retaining scientific talent at the labs to perform this work, which is so critical to national security.
- University management is better than commercial firms at insuring the scientific integrity of the work, and at insulating the science and technical analyses from political pressure. Universities are also better at creating the kind of organizational environment and intellectual atmosphere that allows the staff “speak truth to power” in reporting on sensitive and critical topics.

Implicit in these statements is the belief that the University of California is better at fulfilling these goals than another university manager would be.

- *Management of the Labs could be a direct benefit to UC.* Although the current fee is modest, the University might attempt to negotiate a higher management fee that would be used to meet UC’s financial needs, whether or not these are related to the labs. Extrapolating from a recently negotiated DOE contract with Lockheed-Martin to manage the Sandia National Laboratory, we might imagine that it might be possible to as much as double the \$15 million fee mentioned above in order to foster additional research collaboration with UC campuses.

Rationales AGAINST managing the labs include:

- *The activities and goals of the laboratories are unrelated or antithetical to UC's central mission of research, education, and public service.* Some people feel that the design and manufacture of nuclear weapons is not in keeping with the mission of the university.
- *The costs outweigh the gains.* These costs include: the time, energy, and attention that senior administrators and faculty would otherwise be able to devote to the other challenges faced by UC, and the toll taken on the UC's reputation by adverse publicity.

Conclusions:

There are strongly held views as to whether UC should manage the national laboratories. Quantifying the benefits and costs is extremely difficult, and weighing the costs against the benefits is ultimately a matter of personal, subjective judgment.