

Privatizing national lab management misguided

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In their obsession with privatization as the cure-all for government and bureaucratic inefficiencies, Big Business and its political allies continue to beguile the American public with promises that this is the way to save tax dollars, provide better services or products and, in some cases, create jobs.

But taxpayers, Congress and the Obama administration would be wise to do more than beware of these pledges; they should take a look at what happens when private corporations become government contractors. Unencumbered by scrutiny and driven by self-interest and short-term profit, they flout the nation's fair-employment laws and dodge accountability.

A case in point: Several years ago, the U.S. Department of Energy put management of our nuclear weapons research and development labs out for bid. Against the advice of many, DOE awarded the contract for both labs (Lawrence Livermore in the Bay Area and Los Alamos in New Mexico) to a single private partnership comprising the University of California Regents, Bechtel Corp., and other private companies. This created the Holy Grail of unaccountable profiteering: Not just a for-profit monopoly, but a taxpayer-funded for-profit monopoly.

Right off the bat, the combined management fees - footed by the taxpayer - rose by at least \$240 million over six years as Lawrence Livermore National Security notified 430 employees - most of them, long-tenured professionals over age 40 - that their services would no longer be needed. The employees were given one hour to pack up their belongings while being watched, had their badges confiscated, then were "perp-walked" out the gate like common criminals. The layoffs of career scientists and researchers drained the lab of experience and know-how - certainly not a move that enhances national security and readiness.

LLNS whined to Congress that a \$280 million budget shortfall necessitated the first layoffs in the lab in 35 years.

Now more than a third of the laid-off workers are suing LLNS for wrongful dismissal and, in some instances, age discrimination. After a two-month-long trial on five of the cases earlier this year, an Alameda County Superior Court jury found the partnership liable for kicking the employees to the curb, and awarded them \$2.7 million. Rather than cut its losses by settling the remaining 125 cases, LLNS has opted to fight each one - and, why not, when LLNS is insisting that DOE and the taxpayers should cough up the \$2.7 million to pay for its unlawful actions?

Meanwhile, a coalition of liberal and conservative think tanks proposes "re-imagining the national labs." They recommend changes that only a government contractor could love in a report titled "Turning the Page" released this summer. Most of the purported reforms would give contractors even more leeway and even less accountability at a time that clearly demands more aggressive oversight and control on behalf of the common, not corporate, good.

LLNS' outrageous disregard for U.S. tax dollars, its own employees, the civil justice system and, now, its own legal liability is a travesty. The lab partnership broke the law, has made a mess of workers' lives and has cost the taxpayers more, not less money.

If ever there were a poster boy for privatization gone bad, this is it.

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