

JULY 2012 SPSE-UPTE Monthly Memo

The NAS Report and UPTE'S Response By Jeff Colvin

On February 15, 2012 the National Academies (NAS) National Research Council released a congressionally mandated Report on their year-long study of the management of the nation's national security laboratories: Los Alamos National Laboratory (LANL), Lawrence Livermore National Laboratory (LLNL), and Sandia National Laboratories (SNL). The strategic Forces Subcommittee of the House Armed Services Committee (HASC) held a hearing on the NAS Report less than 24 hours after it was released. Motivating the study was the 2006-2007 transition of LANL and LLNL to private, for-profit monopoly management by Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC. The NAS was charged with studying the effects of the management transitions on the Labs' scientific and national security missions.

The basic conclusions of the NAS Report were that scientific productivity, operational efficiency, and employee morale have all declined since the management transitions; and that the new for-profit, monopoly management structure costs more --- the NAS Report gives a range of numbers between ~\$210 Million and more than \$300 Million as the added yearly cost.

The NAS found that excessive formalities, checklists, and oversight by the National Nuclear Security Administration (NNSA) have put science at the Labs, and experimental science in particular, in jeopardy.

The NAS Report attributes the decline of science at the Labs almost solely to excessive NNSA oversight, and completely misses the connection between excessive oversight and the milestone-driven Performance Bonus Incentive private company management structure. UPTE leaders and members have elaborated our arguments for why the for-profit monopoly management structure is at the root of the Labs' problems in our written testimony to the HASC Hearing on 16 February. Our testimony can be seen in its entirety here:

http://www.upte.org/spse/NASltr1_2012.pdf. In our later Response to the NAS Report, which we also submitted to Congress, we argue for de-privatization as the preferred solution to the problems identified in the Report, and even float a suggestion for how to get the de-privatization process started. Our Response can be seen in its entirety here: http://www.upte.org/spse/NASltr2_2012.pdf.

SPSE-UPTE Working to Reduce the Hardship of Shrinking Take Home Pay for Some in TCP1 Retirement Plan By William Smith

To fund TCP1, those LLNL employees who elected to stay in the TCP1 defined benefit plan that replaced the University of California's Retirement Plan had their take home pay cut by around 10% in June for most employees. Soon, in 2013, take home pay may be cut by nearly 14%. With medical and other premiums increasing, many employees are looking at reducing

contributions to 401(K) retirement plans, cutting entertainment expenses, moving to less expensive quarters, and at least one has quit LLNL to take a better paying job elsewhere.

As part of the bargaining to modify the contract between LLNS to negotiate reductions in benefits with the skilled trades bargaining unit, SPSE-UPTE has identified several options for reducing the hardship. These options range from a pay increase of 5% to the reinstatement of progressive benefit rates, where percentage of payroll contributed increases with base pay. At LANS, once pay for the year exceeds the social security base, the deduction for retirement contributions is increased by 2% so that higher earners contribute a higher percentage of their salary to retirement.

Although LLNL's total contributions started late, they now far exceed the contributions of UC for both employee and employer. The LLNS employer contribution for 2012 is about double that of UC's employer contribution and the LLNS employer contribution is projected to increase the effective cost of TCP1 labor by over 30% in 2013 in comparison to 0% in 2011.

Tales of true hardship looming after mandatory contributions to TCP1 begin abound. One woman who has a disabled husband and joined LLNL mid-career will have to cut back on her contributions to her supplemental retirement program. Without supplemental retirement contributions she does not know how she will pay for higher than normal family medical expenses during retirement.

SPSE-UPTE is negotiating to reduce hardships resulting from this step increase in TCP1 pension contributions and working with management to control pension costs to keep LLNL competitive. Your stories of personal hardship or of sponsor concerns with high LLNL overhead costs would help inform the negotiations. Send your stories or your contact information to spse@spse.org.



May 22, 2012 Rally

A rally to mark the fourth anniversary of the 2008 LLNL layoffs took place on Tuesday, May 22nd, at the West Gate entrance to the Laboratory. Organized by the law firm of Gwilliam Ivary Chiosso Cavalli and Brewer and led by plaintiffs in the group discrimination lawsuit that was filed in the wake of the layoff, this gathering was assembled to commemorate the loss that LLNL suffered through the layoff, and to pay respect to the careers of all those who lost their jobs. SPSE-UPTE Skilled Trades Members, Board Members and Activists came out to support the rally. Link here to read more about the case. <http://gwilliamlawfirm.com/2012/05/illegally-laid-off-lawrence-livermore-lab-workers-to-return-to-scene-of-injustice/>

UPTE supports a Yes vote on Proposition 30 and a No vote on Proposition 32

Prop 30 is the Governor's budget proposal, which, if passed, will establish temporary progressive income tax increases for wealthy taxpayers to avoid automatic trigger budget cuts to public education, local police and fire protection, and flood control. More details can be found at http://www.upte.org/spse/Prop30_2012.pdf. Prop 32 is a deceptively worded proposition backed by corporate millionaires to further limit political donations by unions. More details can be found at http://www.upte.org/spse/Prop32_2012.pdf.

Editorial Response to Bill Smith's April Monthly Memo Article, "To Whom Do We Owe Loyalty? Our Private Employer or Our Nation? Does it Matter?"

Link here <http://www.upte.org/spse/EditorialResponseLoyalty.pdf>

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