



## LANL Reorganizes

J. Creighton & R. White

In September, the Los Alamos Lab (LANL) started a reorganization. The Associate Directors and about 150 top managers were required to resign from their management positions. The reorganization anticipates about 50 management positions to replace these.

### Possible Layoffs

Los Alamos may face layoffs despite the Retirement Incentive Program (VERIP-3). Approximately 300 LANL employees received notices that they are "at risk" for layoff. Guidelines for a layoff were distributed to LANL managers that indicate that about 1/3 of those "at risk" should be selected for layoff.) This preparation for layoff is going on concurrently with the reorganization and surely must offset any morale boost given by the reorganization.

### Morale Up...and Down

Reports from our peers at LANL are mixed, but some say that morale **has** improved because authority has been delegated to group/division leaders to make decisions that previously required filtering through several layers of management above them. As a result, bench scientists and engineers can more easily get approval for projects that they see as necessary to perform their mission.

On the other hand, many people in the weapons program at LANL still complain that there is no direction for the weapons program. At least in part, this probably reflects the lack of national consensus on nuclear weapons.

### Eliminates Some Top Management

LANL's reorganization differs from many "downsizing" programs because it eliminates positions near the top of the management structure. It aims to remove layers of management that exercised power to stop or delay projects, burdened workers with paper work, and imposed rules of marginal value. Will it work? Only time will tell.

### Consultant's Report Critical

The LANL reorganization came in response to a scathing report by team of management consultants from the Motorola Corporation. The Motorola report severely criticized LANL management structure. It stated that proposals and information had to be passed through many levels of management and that no value was added at any level. We have read the Motorola report. It would be generally valid if the name "LANL" were replaced by "LLNL" throughout the report. ♦

## LLNL Will Reorganize Too

Following Los Alamos' lead (See article "LANL Reorganizes"), Livermore too is planning to reorganize. Reliable reports from sources high in the Laboratory administration say that Director Nuckolls will announce a major reorganization of LLNL within the next few months.

Our information does not include details of the plan. Rumors suggest merging Chemistry, and Computations, with the Physical Sciences Directorate, and the creation of a new Environmental Directorate.

Unfortunately, the rumors we have heard do not point to a LANL type attempt to sweep away the bureaucracy. Rather it appears likely that at Livermore, though some existing directorates may be merged, the cumbersome management structure will become even more unwieldy. ♦

## Lab Pays \$27K SPSE Legal Fees

LLNL has finally settled with SPSE's attorneys for costs incurred in connection with the lengthy suit which forced the Lab to release ranking records to employees. The ranking records were produced, as ordered, last year. But, only recently has LLNL paid approximately \$27,000 in expenses incurred by SPSE in the suit that was brought under California's Public Records Act.

The Public Records Act requires that public agencies that violate California law by refusing to produce public records for inspection by a California citizen, are responsible for the citizen's costs of litigation to force compliance (Provided, of course, the citizen wins the litigation.)

Our suit was made particularly expensive by the Lab's intransigence. They forced us to go to court twice on the same issue and they appealed three times. At no time did either the superior court, or the appeals court find any merit in their arguments.

### Not the First Time

This is the third time in recent years that the Lab has had to pay the cost of litigation brought by SPSE to force LLNL management to obey the law. It has been suggested that the Laboratory's Director and the Human Resources Manager should be required to pay these costs that have been born by, of course, the taxpayers.

In 1988, LLNL refused to release names and amounts received by beneficiaries of a voluntary separation program that gave severance pay. SPSE filed a Public Records Act suit. (There was particular interest in this as the benefit was very generous for

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**Lab Pays \$27,000** *continued from page 1*  
several Lab AD's who were, presumably, in a position to influence the decision to offer the voluntary separation program.)

### **\$8,000 Legal Fees Recovered**

In that case, as in last year's ranking/public records case, the Lab's Staff Relations Division claimed the information was personal and that therefore they were not required to release it. They were adamant, but the UC Counsel admitted that the Lab was violating the law and the Counsel agreed to turn over the information. We did go into the court to get an injunction ordering the Lab and UC to comply promptly with our future public records requests and to recover approximately \$8,000 in legal expenses.

### **Mail Use Case, Another \$5,000**

In 1991, the Lab settled a long standing dispute with SPSE over our use of the Lab mails. For years, they forced us to mail into the Lab via the U.S. Mail. They did so despite the fact it meant more work for the mail room than if we had simply delivered the internal mail to the mail room dock.

This case had a long journey in the courts. Most of our litigation costs were born by the California State Public Employment Relations Board (PERB). The board ruled that denying us use of the Lab's internal mail system violated state law. Thereafter, PERB defended their ruling in the courts.

After many years, that included one excursion to the U.S. Supreme Court, LLNL was ordered, by the state appellate court, to permit SPSE to use the mails and to compensate SPSE for postage back to 1988. This time the Lab had to pay approximately \$5,000 of our accumulated postage costs. ♦

## **The Last VERIP?**

Our colleagues who are taking the VERIP-3 retirement incentive are nearly departed. There's been much heat generated by the actions of UC's Regents and the D.O.E. see-sawing on the incentive.

In May, the Regents approved an incentive for LLNL, LANL, and LBL employees that included 5 years service credit + 3 years age or service credit (5+3) in calculating retirement benefits. In June, they approved this same incentive for the rest of the University of California employees, with a minor variation at UC Berkeley. In July, the D.O.E. pressured the University to reduce the offer to lab employees to 3+3 plan. The Regent's Finance Committee voted to retain the 5+3 formula for Lab employees but the next day the full Board of Regents reversed this vote. They caved in to D.O.E.'s pressure and changed the formula to 3+3.

SPSE wrote twice to the Regents concerning the VERIP-3 program. Our first letter expressed concern for the jobs of those who remain. It called the

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**VERIP** *continued from previous column*  
Regent's attention to reckless hiring, following the previous voluntary retirements, that quickly increased the staff to new highs. It urged the Regents to carefully monitor hiring at LLNL after VERIP-3

The second letter from SPSE to the Regents was sent during the period when DOE pressured the Regents to reduce the incentive. Our attorney notified the Regents he believed it would violate California law to give Lab employees a benefit significantly different from that given other University employees and that a group of employees would file suit if the 5+3 offer were reduced.

A group of VERIP-3 retirees is about to do just that. The Early Retirement Legal Action (ERLA) has formed, adopted bylaws, elected officers and has already received substantial contributions and pledges from 250 LLNL retirees and another 50 from LBL and LANL. ERLA has retained an attorney; it appears they will vigorously pursue a suit.

SPSE has given moral and logistic support in the form of clerical help, access to our office, our address lists, and our computers. However, we do not intend to make direct financial contributions to ERLA. To contact ERLA, write to the ERLA Secretary, G. Richard Wirtenson, c/o ERLA, P.O. Box 2945, Livermore, CA 94551 ♦

## **Letter to the Editor: VERIP Mistakes**

In anticipation of VERIP 3 (V3), I calculated my average pay which is used to calculate the monthly benefit. When the V3 statement arrived, I was surprised by an average pay calculation that was noticeably different than mine. A careful recheck against my pay stubs verified that the actual average is \$133.75/mo higher than the University's calculation. I contacted an LLNL Benefits representative who submitted a query to the UC Benefits Office along with copies of my payroll records. A week later I received a letter from LLNL Benefits informing me that indeed their calculations were in error. I can prove the correct monthly benefits should be \$68.67/mo higher. However, since the correction resulted in less than \$100/mo, no changes would be made to the V3 offer. They have admitted to an error (which amounts to more than \$800 per year), and then tell me that I will have to live with it! Of note in this case is the fact that the payroll record is continuous, there have been no breaks in service, and no unusual circumstances. I am currently investigating my options, but you may do well to inform your eligible members to check the University numbers carefully.—**G. Gordon North**

*North is just one of several who found errors. All have been displeased with rude treatment by UC officials when they reported the errors. VERIP 3 retirees should check the University's calculations. Perhaps those who find significant errors can get together through the ERLA organization—Editor*

# Physical Sciences Pushes Displaced Employee Strategy

Last Spring, LLNL's Physics Department reorganized to become the "Physical Sciences Directorate" (PSD). The department expanded to include Earth Sciences and Environmental Sciences. There are peculiar features of the reorganization that are not consequences of the department's expansion. Nor do they honestly respond to a changed mission.

One peculiarity is the split of the modest sized Computational Physics Division (CP) into two divisions called "Physics" (P) and "Applied Physics" (AP). The split was vaguely rationalized as having to do with function. AP was touted to be a division of persons who would bring in work from "outside."

This rationalization does not hold up under scrutiny. PSD management ignores employee proposals to organize the division to effectively pursue outside support. They class about 1/3 of the AP personnel as "displaced" (effectively unemployed). This categorization, in most cases, reflects arbitrary management decisions rather than any intrinsic character of the employees or their work.

### Told to Retire

PSD treats many members of AP division as unemployable. Recent performance appraisals blandly state that, in the future, the employee can expect to do only "grunge" work that is outside his/her area of expertise. (This despite the fact most of these people are solid contributors to the Lab; several are among the best computational physicists at LLNL.) Several appraisals include pointed suggestions that the subject should retire. These suggestions are not correlated to the appraisal's rating of the employees' work, but are closely tied to age.

### Evicted from Offices

A number of persons have been evicted from their offices and stuffed, by pairs, into small windowless  
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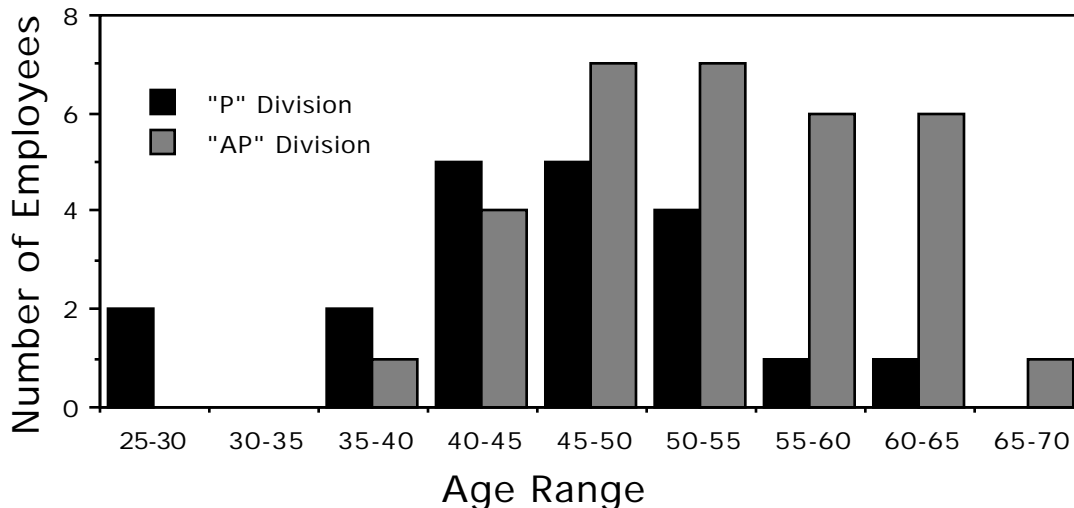
rooms formerly housing single occupants. They are told this is what they can expect until they find employment elsewhere. (The recent lab-wide floor space tax is cited as an excuse. However, some persons have been ejected from otherwise vacant spaces still occupied by PSD, and remodeling has enlarged the already ample quarters of the AD's staff.) Some must use office space filled with the belongings of persons on extended leaves of absence. They are forbidden to store any of those belongings and so cannot move in their own equipment and supplies. These actions are plainly punitive; they intend to make the victims uncomfortable and to interfere with their work.

### Age Discrimination Institutionalized

The main distinguishing characteristic of those assigned to AP is seniority. The division includes a highly disproportionate number of older employees from CP and other Physics divisions. (See chart below.) Management is acutely aware that clumping senior employees into a single division makes them more vulnerable to layoff under LLNL's policies.

The architect of this "displaced employee strategy" is Bruce Tarter, the newly appointed Deputy Director of LLNL. While the Laboratory gives lip service to ending discrimination (we now call it "promoting diversity"), one of its major directorates, under the guidance the Lab's second in command, institutionalizes age discrimination as a means of dealing with budgetary shortfalls.

These are difficult times. The Laboratory, along with the rest of the U.S. Defense community, must cope with curtailed budgets. We all expect to suffer stresses. However, it is unconscionable that these stresses translate into the abandonment of civility and respect for our distinguished colleagues who have given much to the Laboratory and the country. ♦



Age Distribution of Employees in PSD's P and AP Divisions. Personnel in these divisions came primarily from the old CP Division. Retirees and Post Docs are not included.

**Letter to the Editor:** Much has been said in the press and among Lab leaders about the conversion of the Laboratory to either alternative commercial-related research or environmental work for the DOE. The debate about the extent that these constitute viable options for LLNL is rendered moot, at least in part, by the trends in hiring, staffing and management selection.

Beginning in 1988, with the advent of Director Nuckolls, a large number of top management and advisory positions have been filled by non-technical people who have virtually no industrial or commercial experience outside of the defense industry. In fact, a common factor in the background of these individuals is either former employment in defense programs at LLNL or a job in government directly related to weapons deployment or production policy. Virtually all of these jobs are equivalent to senior management level and pay more than \$100K.

Many of the people in these positions were given essentially carte blanche in staffing. This has been a major factor in the proliferation of administrative and "executive assistant" jobs in defense-related programs at the Lab, inflating our overhead costs. It now costs the government, or the elusive industrial customer, an incredible four times salary per physicist or engineer to get work done at LLNL.

To look at the corollary, the hiring that is not taking  
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place, one need only talk to a few group or division leaders in engineering or physics (for example) and hear the stories about the ones that got away: a Stanford PhD with reference letters from two Nobel prize winners who had developed several innovative super-conductor applications (rejected due to insufficient "program" funding); a world renowned expert in guidance and control systems (no establishment of "critical" Lab needs), etc.

As budget cutbacks force the inevitable layoffs, this situation will become exacerbated by the effects of terminating "junior" Laboratory technical employees in favor of "senior" bureaucrats. This is tantamount to throwing from a sinking lifeboat, those strong enough to bail.

An example of our lost sense of priorities was related to me which involved a recently returned-from-Washington-assignment manager. He complained to one of his program leaders that if the project guys would just quit coming up with new technologies for new problems, he could get on with the business of "organizing" their activities more expeditiously. The inattention to the changes in key management issues, the market, and the politics of the world around us, would be considered a serious breach of shareholder and employee confidence in the corporate world to which we aspire, but for the management of a national laboratory, insulated from responsibility, it is viewed as par for the course. What a shame.

—Name withheld by request

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