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Potential Workforce Loss at Los Alamos Lab Not Supported by Budget Facts Management Profit Going Up as Jobs and Accountability Are Cut *Comprehensive Cleanup is the Big Future Job Creator*

Santa Fe, NM - On February 21st Los Alamos National Laboratory (LANL) Director Charlie McMillan announced that 400-800 Lab employees will almost certainly have to be laid off because of flat budget projections. In an arguably conflicted position, McMillan wears two hats, one as Lab Director, the other as the president of the for-profit limited liability corporation "Los Alamos National Security" (LANS) that runs the Lab, in which the Bechtel Corp. and the University of California are the two dominant partners. Not long after LANS' management contract began in June 2006 some 400 jobs were cut in order to make way for the new for-profit corporate costs.

Lab officials claim that the current fiscal year 2012 budget is falling some \$300 million below FY 2011, or \$2.2 billion vs. \$2.5 billion. However, \$70 million of that is due to the end of onetime economic stimulus funding for cleanup programs at LANL, which Lab management was fully aware of, and accounts for the already planned end of some 150 jobs.

To put the job question in greater perspective, two years ago total FY 2010 funding for LANL was \$2.31 billion (adjusted for inflation). That is "only" \$40 million more than this fiscal year's \$2.27 billion, but it included \$130 million in stimulus money, hence FY 2012 "regular" spending is still greater than FY 2010. Thus all the recent rhetoric about crippling budget cuts to LANL programs overlooks that the fact that this merely brings current funding back to the then-record breaking level of FY 2010 spending at Los Alamos, which was exceeded only by FY 2011.

According to the Lab's own data LANL employed a total of 14,610 people in FY 2010. So why does LANS now need to drop 400-800 employees from its current documented workforce of 11,782, when virtually the same amount of funding employed far more people in FY 2010?

Part of the answer may lie in LANS' rapidly rising profits. The National Nuclear Security Administration (NNSA) awarded the limited liability corporation \$74.2 million for FY 2010, when it employed so many people. This was followed by NNSA awarding LANS \$83.7 million in profit for FY 2011, a 13% increase in one year, and 10 times more than what the University of California (UC) use to be awarded when it was LANL's sole nonprofit manager. There appears to be a pattern, common to today's corporate world, of cutting jobs in order to maximize profits. Despite these exploding management fee costs, public accountability has seriously gone down. In 2009 the NNSA began to refuse to release previously available "Performance Evaluation Reports" that justify these large taxpayer payments.

On a related subject, NNSA's FY 2013 budget request has delayed the controversial CMRR-Nuclear Facility for at least five years, which may lead to its eventual termination. Former-Rep. Heather Wilson, now a Republican candidate for the U.S. Senate, claims that "an estimated 1,000 jobs will be killed for 10 years in Los Alamos" because of that. She is factually incorrect.

All federal agencies are legally required to conduct public reviews of proposed major federal actions. In its August 2010 final environmental impact statement for the CMRR-Nuclear Facility the

NNSA admitted that despite a ~\$5 billion investment the project would create zero new permanent jobs because it would merely relocate existing jobs from older facilities. That review did however predict that an average of 420 temporary construction jobs would be created over ten years, but even then it's not clear how many of these temporary construction jobs would have actually gone to New Mexicans. In any event, the environmental impact statement noted that those temporary jobs "would have little or no noticeable impact on the socioeconomic conditions" of the Los Alamos, Santa Fe, Rio Arriba, and Taos Counties.

A spokesman for Gov. Susana Martinez said she is concerned about the potential effect of the cuts on the regional economy. In Nuclear Watch New Mexico's view the Governor could best help create jobs by fully enforcing the terms of a Consent Order between New Mexico and NNSA that governs cleanup at the Lab. LANL's own estimates document that full cleanup of the Lab's biggest radioactive waste dump ("Area G") could take up to 108 million worker hours at a labor cost of \$13.5 billion, the equivalent of some 1,730 jobs for 30 yrs at \$125/hr. Moreover, full cleanup is the only way to permanently remove the threat to precious groundwater and the Rio Grande from Lab wastes and contamination. Unfortunately, the Martinez Administration has granted LANL numerous time extensions for key milestones under the Consent Order, allowing the Lab to indefinitely defer cleanup and cut existing jobs.

Jay Coghlan, Nuclear Watch New Mexico Director, commented, "Now that the CMRR-Nuclear Facility has been zeroed out, our New Mexican congressional delegation and state and local elected officials should be pushing hard for comprehensive cleanup at the Lab. That would create hundreds and hundreds of desperately needed jobs, and at the same time protect the environment and our scarce, precious water resources. That's in stark contrast to unneeded nuclear weapons programs that produce more radioactive and hazardous wastes and create little if any in the way of new jobs."

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Sources:

LANL funding data are from the DOE's FY 2011 and FY 2012 Congressional Budget Requests "Laboratory Tables" <<http://www.cfo.doe.gov/budget/13budget/index13.html>>, but also include precise estimated amounts for "Work for Others" (~\$300 million annually) from LANS' primary contract, Sections B – H, p. 9,

<http://www.lanl.gov/orgs/pcm/pdfs/conformed_prime_contract.pdf>.

Economic stimulus funding numbers are from <<http://www.lanl.gov/environment/cleanup/stimulus.shtml>>

CMRR-NF job data are from NNSA's August 2011 Final EIS, Volume 1, pp. 2-16 & 2-55, <<http://nnsa.energy.gov/about/ouoperations/generalcounsel/nepaoverview/nepa/finalcmrrseis>>. LANL's 2010 level of employment is from <http://community.lanl.gov/docs/index/CPO_CommunityProfile_21Mar2011.pdf>.

The 2012 level of employment is from "Fast Facts" <<http://www.lanl.gov/news/releases/index.html>>.

Area G job data are from the Corrective Measures Evaluation Report for Material Disposal Area G, Consolidated Unit 54-013(b)-99 at Technical Area 54, Revision 3, LA-UR-11-4910, LANL, September 2011, <<http://permalink.lanl.gov/object/tr?what=info:lanl-repo/epr/ERID-206324>>.

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