Department of Energy
Washington, DC 20585

JUN 30 2010

MEMORANDUM FOR: DONALD L. COOK
DEPUTY ADMINISTRATOR FOR DEFENSE PROGRAMS
NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA)

FROM: SUSAN F. BEARD
ASSISTANT GENERAL COUNSEL FOR GENERAL LAW AND DESIGNATED AGENCY ETHICS OFFICIAL
OFFICE OF THE GENERAL COUNSEL

SUBJECT: Limited Waiver of Paragraph 2 of the Ethics Pledge for non-monetary specific party matters involving Sandia Corporation and general budgetary matters involving Defense Programs

Pursuant to the authority delegated under Section 3 of Executive Order 13490 "Ethics Commitments by Executive Branch Personnel" (January 21, 2009) and after consultation with the Counsel to the President, I hereby certify, for the reasons stated below, that it is in the public interest for you to receive a limited waiver of the restrictions of paragraph 2 of the Ethics Pledge as Deputy Administrator for Defense Programs of the National Nuclear Security Administrator (NNSA).

You were previously employed by Lockheed Martin as the Managing Director, Chief Executive Officer, and Special Advisor of the Atomic Weapons Establishment (AWE) and as a President of a Lockheed Martin Company since March of 2006. AWE is a UK government-owned establishment that is managed and operated by a private company in which Lockheed Martin is a member. You advise that you did not have any job responsibilities related to Sandia Corporation since beginning your job responsibilities at the AWE.

The position of Deputy Administrator for Defense Programs (Deputy Administrator) was established pursuant section 3214 of Public Law 106-65, codified at 50 U.S.C. § 2404, to manage the Stockpile Stewardship Program. As Deputy Administrator, your responsibility is to maintain and enhance the safety, reliability, and performance of the United States nuclear weapons stockpile through design, production, and testing. You are further responsible for directing, managing, and overseeing the nuclear weapons production facilities and the national security laboratories. Sandia National Laboratories, along with Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Kansas City Plant, Pantex Plant, Y-12, and Savannah River Site are managed by the Deputy Administrator. Sandia Corporation is a wholly owned subsidiary of Lockheed Martin and the management and operations contractor of Sandia National Laboratories.

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Therefore, as the nuclear stockpile manager for these laboratories, it would be untenable to recuse you from all matters related to Sandia Corporation.

Absent a waiver, you would be prohibited by paragraph 2 of the Ethics Pledge from participating in any particular matter involving specific parties in which either Lockheed Martin or Sandia Corporation, a wholly owned subsidiary of Lockheed Martin, is or represents a party. Your knowledge of the nuclear weapons landscape and expertise in nuclear security and safety are essential to the United States nuclear weapons program. Your ability to engage in such decision-making about the future of NNSA's weapons program is in the public interest and fundamental to NNSA's ability to remain in the forefront of nuclear security. This limited waiver is granted with the understanding that you will comply with the restrictions set forth below. Through this limited waiver, I authorize you to participate in non-monetary specific party matters involving Sandia Corporation and general budgetary matters involving Defense Programs. This includes your participation in the day-to-day operations of Sandia Laboratories, including the management and performance of program activities and facilities operations carried out in support of the Stockpile Stewardship Program. Further, I authorize you to engage in one-on-one conversations with Sandia management on these matters, which could involve discussions on personnel involved in Sandia's stewardship program activities. Furthermore, I authorize you to serve as a member of the NNSA Management Council and the activities associated with Program and Project Management for the adminstration of the NNSA complex when the Administrator is unavailable. And finally, I authorize you to participate in the activities associated with Program and Project Management for the Acquisition of Capital Assets.

However, this limited waiver does not authorize you to participate in the following aspects of particular matters involving specific parties in which Sandia Corporation is a party or represents a party: (1) any evaluation of the work performed; (2) any award fee process; (3) any extension of the contract; (4) any recompetition of the contract; (5) negotiations affecting Sandia Corporation's financial arrangements between Sandia and the Department of Energy (e.g. work authorizations, new work awards outside of the M & O contract, cooperative agreements, grants, work for others, personnel matters requiring additional financial commitments, etc.); (6) contract disputes; and (7) site split budgetary matters or budgetary matters unique to Sandia Corporation. The authorization does not extend to particular matters affecting Lockheed Martin Corporation uniquely and specifically.

This limited waiver does not affect your obligation to comply with other provisions of the Ethics Pledge or with all other pre-existing government ethics rules.