

AMERICAN MARITIME OFFICERS
MEDICAL – PENSION – MONEY PURCHASE BENEFIT – VACATION – SAFETY & EDUCATION – 401(k)

2 West Dixie Highway, Dania Beach, FL 33004-4312
Telephone (954) 922-7428 or (800) 249-8200 Fax (954) 926-7350

May 25, 2007

Re: DOL Notice of Proposed Exemption

Dear Plan Participant,

We are writing to you because you are a participant in the American Maritime Officers Safety & Education Plan (the "S&E Plan").

The S&E Plan has requested an Exemption from the U.S. Department of Labor to allow it to contract with Kongsberg Maritime Simulator, Inc. ("Kongsberg") to provide certain services involving hydrodynamic and geographic modeling and simulator operator training. Because the S&E Plan purchased its simulators from Kongsberg and Kongsberg provides software updates and technical support for the S&E Plan simulators, providing these services to Kongsberg without an Exemption would be prohibited by the Employee Retirement Income Security Act of 1974 (also known as "ERISA"). The Proposed Exemption requires, among other things, that the S&E Plan be paid for the services at the same rates as are charged to unrelated third parties and that an independent auditor perform annual audits of the transactions allowed under the Exemption.

As an S&E Plan participant, you are being provided with a copy of the proposed Exemption, which contains a description of the transactions in more detail. It also describes the conditions that the S&E Plan must meet to be entitled to use the Exemption if it is granted. If the Exemption is granted, the transactions should not have any adverse effects on your benefits under the S&E Plan.

If you have questions about your benefits under the S&E Plan, please contact the Director of Training, Philip Shullo, at 800-348-6515, ext. 7251. If you have questions or comments about the Exemption, contact Khalif Ford, U.S. Department of Labor, Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, Room N-5700, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210; at 202-693-8540 or ford.khalif@dol.gov.

Sincerely,
AMO SAFETY & EDUCATION PLAN



Steven F. Nickerson
Executive Director

Please see reverse side for Notice to Interested Persons.

NOTICE TO INTERESTED PERSONS

You are hereby notified that the United States Department of Labor is considering granting an exemption from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, or the Federal Employees' Retirement System Act of 1986. The exemption under consideration is explained in the enclosed Notice of Proposed Exemption. As a person who may be affected by this exemption, you have the right to comment on the proposed exemption by June 25, 2007. If you may be adversely affected by the grant of the exemption, you also have the right to request a hearing on the exemption by June 25, 2007.

Comments or requests for a hearing should be addressed to: Office of Exemption Determinations, Employee Benefits Security Administration, Room N-5700, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210, ATTENTION: Application Number: L-11365.

MacAndrews & Forbes has agreed to subordinate such rights in order to enhance the over-subscription privilege of other stockholders.

MacAndrews & Forbes agreed to "back-stop" \$75 million of the Stock Rights offering by purchasing, on the same terms as the Stock Rights offering, such number of shares of Class A Common Stock offered but not purchased by other Rights holders as would be sufficient for the aggregate gross proceeds of the Stock Rights offering to total \$75 million. With respect to the shares offered in the Stock Rights offering in excess of the \$75 million being backstopped by MacAndrews & Forbes (i.e., shares with an approximate value of \$25 million), MacAndrews & Forbes had the right, but not the obligation, pursuant to a private placement agreement with the Revlon, to purchase additional shares of Class A Common Stock, at the Subscription Price, in the event the Stock Rights offering was not fully subscribed after Rights holders, other than MacAndrews & Forbes, exercise their basic and over-subscription privileges.

9. If a sufficient number of shares were not available to fully satisfy the over-subscription privilege requests, the available shares were to be sold *pro rata* among Rights holders who exercised their over-subscription privilege based on the number of shares each Rights holder subscribed for under the basic subscription privilege. Any excess subscription payments were returned without interest or deduction promptly after the expiration of the Stock Rights offering.

Any election to exercise a Right (whether made with respect to Stock Rights held under the Plan or otherwise) was irrevocable once made. Plan participants who wanted to exercise some or all of their Rights were required to notify the Trustee on or before the date that is approximately seven (7) calendar days before the expiration of the Stock Rights offering (the Plan Election Date).⁶

10. Participants were also entitled to direct the Trustee to sell the Rights allocated to them on the open market by notifying the Trustee of such election on

or before the Plan Election Date; any such election was irrevocable once made and were executed as soon as practicable after it is received. To the extent that a participant did not elect to either exercise or sell the Rights credited to his or her account on or before the Plan Election Date, the Investment Committee instructed the Trustee to attempt to sell such Rights on the open market in the same manner as if the participant had directed such a sale. The Investment Committee instructed the Trustee not to exercise Rights where the Subscription Price exceeds the per share public trading price of Class A Common Stock at the time for exercise (in which case an attempt was made to sell the Rights instead, although the Rights likely would have no value in such a case and thus would expire without value). A confirmation of a sale or exercise of rights, as the case may be, appeared on participant statements.

11. Approximately three (3) calendar days before the expiration of the Stock Rights offering, the Trustee liquidated an amount sufficient to pay a Plan participant's exercise price by selling a pro-rata portion of the amounts held in such participant's various investment funds (other than the Common Stock Fund) and transferred such funds to the subscription agent in order to participate in the Stock Rights offering on behalf of Plan participants who elect to exercise some or all of their Rights. No Stock Rights under the Plan were exercised before this date. The shares of Class A Common Stock purchased upon the consummation of the Stock Rights offering were be allocated to the accounts of Plan participants as soon as practicable thereafter.

12. In summary, it is represented that the proposed transaction meets the statutory criteria of section 408(a) of the Act because: (a) The Stock Rights were acquired pursuant to Plan provisions for individually-directed investment of such accounts; (b) The Plan's receipt of the Stock Rights occurred in connection with a Stock Rights offering made available on the same terms available to all shareholders of common stock of Revlon; (c) All decisions regarding the holding and disposition of the Stock Rights by the Plan were made, in accordance with the Plan provisions for individually-directed investment of participant accounts, by the individual Plan participants whose accounts in the Plan received Stock Rights in connection with the Stock Rights offering; (d) The Plan's acquisition of the Stock Rights resulted from an independent act of Revlon as a corporate entity; and (e) The Plan

received the same proportionate number of Stock Rights as other owners of Class A common stock.

Notice to Interested Persons: Notice of the proposed exemption shall be given to all interested persons in the manner agreed upon by the Employer and Department within 15 days of the date of publication in the **Federal Register**. Comments and requests for a hearing are due forty-five (45) days after publication of the notice in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Khalif Ford of the Department, telephone (202) 693-8540 (this is not a toll-free number).

American Maritime Officers Safety & Education Plan (the S&E Plan) Located in Dania Beach, Florida and Toledo, Ohio

[Exemption Application No. L-11365]

Proposed Exemption

The Department is considering granting the following exemption under the authority of section 408(a) of the Act and in accordance with the procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, August 10, 1990). If the exemption is granted, the restrictions of sections 406(a)(1)(C) and 406(a)(1)(D) of the Act shall not apply to the S&E Plan's, doing business as STAR Center, entering into an agreement with Kongsberg Maritime Simulator Inc. (Kongsberg), a party in interest, to provide certain services (the Services) to Kongsberg at the Dania Beach, Florida facility (the Facility) involving hydrodynamic and geographic modeling and training required in connection with Kongsberg's contract with the U.S. Navy, provided that the following conditions are met:

Conditions

This proposed exemption is subject to the following conditions:

(a) The S&E Plan will charge and will be paid for the Services at the rates approved by the Board of Trustees of the S&E Plan (the Trustees) for similar services provided to unrelated third parties;

(b) The terms of the arrangement between the S&E Plan and Kongsberg are at least as favorable to the S&E Plan as those obtainable in an arm's length transaction with an unrelated party;

(c) An independent auditor will perform annual audits of the S&E Plan to identify and reconcile any recordkeeping discrepancies involving the Services; and

(d) The S&E Plan will maintain, for a period of six (6) years, the records necessary to determine whether the

⁶ This date was before the expiration date of the Stock Rights offering in order to enable the Trustee to review and implement participant directions (including the liquidation of individual account balances necessary to fund each participant's exercise price) and provide such aggregate instructions to the subscription agent under the Offering within the time constraints imposed generally with respect to the Stock Rights offering. Because the Stock Rights offering was extended for at least thirty (30) calendar days, Revlon did not anticipate that this requirement was unduly restrictive for Plan participants.

conditions of this exemption have been met.

Summary of Facts and Representations

1. The S&E Plan is a jointly administered multiemployer welfare training plan funded pursuant to a collective bargaining agreement. The purposes of the S&E Plan are to (a) develop and execute programs for the education, development and improvement of licensed marine officers, (b) develop and execute programs to increase safety in the operation of marine vessels, (c) create and execute programs to develop and maintain a skilled pool of licensed marine officers and (d) develop and execute a research program on a variety of issues of interest to S&E Plan participants and their employers. The S&E Plan conducts training and accommodates the students attending training at the Facility. As of January 6, 2006, the S&E Plan had 3,495 participants and beneficiaries and \$43,563,887 in plan assets.

Kongsberg is an industry leader in supplying simulators that are used in the training of professional mariners. The S&E Plan, doing business as the STAR Center, utilizes Kongsberg marine simulators to provide training for participants of the S&E Plan.

2. Kongsberg has provided services to the STAR Center that include: Delivering simulation software and hardware; providing training on the use of its products; and providing software updates and technical support to the STAR Center. Accordingly, Kongsberg could be viewed as a party in interest to the Plan as a service provider under ERISA § 3(14) and certain transactions between the S&E Plan and Kongsberg would be prohibited transactions under ERISA section 406(a).

The applicant represents that because of the unique nature of the maritime industry, and the specialized niches held by Kongsberg and the STAR Center, the STAR Center is especially suited to provide training-related services to Kongsberg. Kongsberg has recently signed a contract with the United States Navy to supply a total of 57 navigation simulators that will constitute a critical part of an ongoing U.S. Navy program for navigation, seamanship and ship handling training. Because of the experience and expertise of the STAR Center, Kongsberg wishes to subcontract with the STAR Center to permit the STAR Center to perform certain hydrodynamic modeling and geographic modeling necessary for the development of the navigation simulators, and to provide training assistance. The S&E Plan wishes to

contract with Kongsberg to provide these services since it would be in furtherance of the overall purposes of the S&E Plan and beneficial to the STAR Center and the S&E Plan participants, as well as the United States Navy.

3. The Facility is home to the STAR Center. S&E Plan participants attend courses at the STAR Center, which is among the most comprehensive and advanced maritime training and research facilities in the world. The STAR Center provides participants in the S&E Plan with complete license training, license upgrading and certifications with respect to various U.S. Coast Guard and international treaty requirements. The STAR Center also has the capability to develop models of vessels and ports that can be utilized in training programs.

At the core of the STAR Center is the 360-degree full mission training bridge, from which officers can simulate command of various types of vessels in over a hundred different waterways from around the world. The instructors at the STAR Center and the simulator's programmers use the simulator to re-create a variety of situations and conditions in order to train participants in safe and efficient vessel operations and effective responses to hazardous environments and extreme conditions. Many of the models utilized on the simulators are developed at the STAR Center. The Facility includes other types of simulators as well. The students' training on the simulators is interactive and provides for real-time exercises. It is the STAR Center's ability to provide hands-on, real-time training in a controlled environment and model different environments that makes the S&E Plan a valuable benefit to its participants and makes S&E Plan participants even more valuable to contributing employers. Simulators used at the STAR Center were purchased from Kongsberg and the S&E Plan has an on-going maintenance contract with Kongsberg.

4. Participants in the S&E Plan work predominantly on U.S.-flag ships in foreign and domestic commercial trade. Many serve onboard civilian ships under contract to the United States government. In addition, participants also serve as engine and deck officers and stewards in the U.S.-flag Great Lakes dry bulk and tanker fleets and on various vessels and tug barges on inland waterways. The S&E Plan, through the STAR Center, provides centralized training locations for employees in the maritime industry. In addition, maritime officers are subject to Federal laws and significant regulation and licensing requirements by the United

States Coast Guard, the Department of Defense and the Department of Transportation. The S&E Plan and the STAR Center provide a centralized way for maritime officers to obtain licenses and training required by the various governmental agencies.

5. Kongsberg will pay the S&E Plan for these services at the rates approved by the Trustees for similar services provided to unrelated third parties. The following is a description of the service that would be provided by the S&E Plan.

Hydrodynamic Modeling: The applicant represents that the key to realistic ship-handling simulation is an accurate representation of ship maneuvering characteristics. The mathematical modeling of ship behavior is referred to as "Hydrodynamic Modeling." The applicant represents that the STAR Center has developed skills in this area over the last several years and has personnel uniquely qualified in the development of hydrodynamic models required by Kongsberg.

Geographic Modeling: In order to represent the environment necessary for ship-handling simulation, a "Geographic Model" needs to be created. This model includes a visual representation of a particular port or waterway as well as the bathymetric (underwater contours) and environmental conditions, such as water current and wind. The STAR Center has developed a substantial in-house capability to create these models. Although the field of simulation modeling is expanding, models that will run on a Kongsberg simulator require the use of proprietary software tools. The applicant represents that the STAR Center is the largest external developer of Kongsberg-specific geographic models and has the capability and a reputation for creating accurate geographic models.

Training: The STAR Center is currently the largest user of Kongsberg simulators in the country and has years of experience utilizing these simulators in approved training programs. The applicant represents that because of this experience, the STAR Center is qualified to assist Kongsberg in training other users in the proper operation of the simulators.

6. The applicant represents that the STAR Center has developed and improved its capabilities over the last thirteen years and is recognized as a provider of specialized simulator training services. Because this is a small industry, and there are a limited number of entities with the requisite experience and expertise in simulation training, the inability of the S&E Plan to contract

with Kongsberg to provide modeling and training services unduly restricts the operations of the S&E Plan. By providing the Services, the S&E Plan would be able to develop hydrodynamic and geographic models that will improve the overall quality of maritime officers and increase safety in the operation of marine vessels, thus furthering the purposes of the S&E Plan, and would be able to increase the level of expertise in the application of modeling tools and techniques by the S&E Plan, thus expanding the training opportunities for S&E Plan participants, many of whom are employed on vessels assigned to areas of conflict overseas. Many S&E Plan participants serve on vessels engaged in the transportation and supply of cargo to troops stationed in conflicts around the world. Finally, the revenue received by the STAR Center from the Services will help offset operating costs of the STAR Center. This, in turn, will allow the S&E Plan to provide expanded services to plan participants without increasing contribution levels.

7. To ensure that the interests of the S&E Plan and their participants are well protected, the S&E Plan has retained Bond Beebe C.P.A. (Bond Beebe) as outside auditors to perform the annual audit of the Services. Bond Beebe will perform annual audits of the S&E Plan to identify and reconcile any recordkeeping discrepancies involving the Services.

8. In summary, the applicant represents that the proposed transaction satisfies the statutory criteria for an exemption under section 408(a) of the Act for the following reasons: (a) The S&E Plan will charge and will be paid for the Services at the rates approved by the Trustees for similar services provided to unrelated third parties; (b) The terms of the arrangement between the S&E Plan and Kongsberg are at least as favorable to the S&E Plan as those obtainable in an arm's length transaction with an unrelated party; (c) An independent auditor will perform annual audits of the S&E Plan to identify and reconcile any recordkeeping discrepancies involving the Services; and (d) The S&E Plan will maintain, for a period of six (6) years, the records necessary to determine whether the conditions of this exemption have been met.

Notice to Interested Persons

Notice to Interested Parties: Notice of the proposed exemption shall be given to all interested persons in the manner agreed upon by the Employer and Department within 15 days of the date of publication of this notice of proposed

exemption in the **Federal Register**. Comments and requests for a hearing are due forty-five (45) days after publication of this notice in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Khalif Ford of the Department, telephone (202) 693-8540. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which, among other things, require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(b) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete, and that each application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed at Washington, DC, this 25th day of April, 2007.

Ivan Strasfeld,
*Director of Exemption Determinations,
Employee Benefits Security Administration,
U.S. Department of Labor.*

[FR Doc. E7-8184 Filed 4-27-07; 8:45 am]
BILLING CODE 4510-29-P

DEPARTMENT OF LABOR

Workforce Investment Act of 1998 (WIA); Notice of Incentive Funding Availability for Program Year (PY) 2005 Performance

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: The Department of Labor, in collaboration with the Department of Education, announces that nine states are eligible to apply for Workforce Investment Act (WIA) (Pub. L. 105-220, 29 U.S.C. 2801 *et seq.*) incentive awards under the WIA Regulations.

DATES: The nine eligible states must submit their applications for incentive funding to the Department of Labor by June 14, 2007.

ADDRESSES: Submit applications to the Employment and Training Administration, Office of Performance and Technology, 200 Constitution Avenue, NW., Room S-5206, Washington, DC 20210, Attention: Karen Staha and Traci DiMartini, Telephone number: 202-693-3698 (this is not a toll-free number). Fax: 202-693-3490. E-mail: staha.karen@dol.gov and dimartini.traci@dol.gov. Information may also be found at the ETA Performance Web site: <http://www.doleta.gov/performance>.

SUPPLEMENTARY INFORMATION: Nine (9) states (see Appendix) qualify to receive a share of the \$16.3 million available for incentive grant awards under WIA section 503. These funds, which were contributed by the Department of Education from appropriations for the Adult Education and Family Literacy Act and the Carl D. Perkins Vocational and Technical Education Act, are available for the eligible states to use through June 30, 2009, to support innovative workforce development and education activities that are authorized under title I (Workforce Investment Systems) or title II (the Adult Education and Family Literacy Act (AEFLA)) of WIA, or under the Perkins Act (Pub. L. 105-332, 20 U.S.C. 2301 *et seq.*). In order to qualify for a grant award, a state must have exceeded performance levels agreed to by the Secretaries, Governor, and State Education Officer for