



To/MS: LANL-Emp
From/MS: Lou Polito, HR-B, P280
Phone/Fax: 7-1806/Fax 5-2156
Symbol: HR-B:07-017
Date: January 19, 2007

Subject: Notice to Interested Parties

NOTICE TO:

- All present employees eligible to participate in the LANS 401(k) Retirement Plan (“Plan”),*
and
- All other present employees of LANS whose principal place of employment is the same as any employee eligible to participate in the Plan.

An application is to be made to the Internal Revenue Service for a determination on the qualification of the following employee benefit plan:

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|--------------------------------|--|
| Name of Plan: | LANS 401(k) Retirement Plan |
| Plan Number: | 001 |
| Name of Applicant: | Los Alamos National Security, LLC (“LANS”) |
| Address of Applicant: | Los Alamos Research Park 4200 West Jemez Road Los Alamos, NM 87544 |
| Applicant EIN: | 20-3104541 |
| Name of Plan Administrator: | Los Alamos National Security, LLC (“LANS”) |
| Address of Plan Administrator: | Los Alamos Research Park 4200 West Jemez Road Los Alamos, NM 87544 |

The purpose of this filing is to receive approval on the qualified plan status of this new plan. It has no material effect on the accrual or value of any participant’s benefits.

The application will be filed on January 31, 2007 for determination as to whether the plan meets the qualification requirements of section 401 of the Internal Revenue Code of 1986, as amended. The application will be filed with the Internal Revenue Service, P.O. Box 192, Covington, KY 41012-0192.

The Internal Revenue Service has not previously issued a determination letter with respect to the qualification of this plan.

RIGHTS OF INTERESTED PARTIES

You have the right to submit to EP Determinations, at the above address, either individually or jointly with other interested parties, your comments as to whether this plan meets the qualification requirements of the Internal Revenue Code.

You may instead, individually or jointly with other interested parties, request the Department of Labor to submit, on your behalf, comments to EP Determinations regarding qualification of the plan. If the Department declines to comment on all or some of the matters you raise, you may, individually, or jointly if your request was made to the Department jointly, submit your comments on these matters directly to EP Determinations.

REQUESTS FOR COMMENTS BY THE DEPARTMENT OF LABOR

The Department of Labor may not comment on behalf of interested parties unless requested to do so by the lesser of 10 employees or 10 percent of the employees who qualify as interested parties. The number of persons needed for the Department to comment with respect to this plan is 10. If you request the Department to comment, your request must be in writing and must specify the matters upon which comments are requested, and must also include:

1. the name of the plan, plan number, name and address of applicant and applicant EIN (found in the first part of this Notice); and
2. the number of persons needed for the Department to comment.

A request to the Department to comment should be addressed as follows:

Deputy Assistant Secretary
Employee Benefits Security Administration
ATTN: 3001 Comment Request
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

COMMENTS TO THE INTERNAL REVENUE SERVICE

Comments submitted by you to EP Determinations must be in writing and received by that office by March 17, 2007. However, if there are matters that you request the Department of Labor to comment upon on your behalf, and the Department declines, you may submit comments on these matters to EP Determinations to be received by that office within 15 days from the time the Department notifies you that it will not comment on a particular matter, or by March 17, 2007 whichever is later, but not after April 1, 2007. A request to the Department to comment on your behalf must be received by it by February 15, 2007 if you wish to preserve your right to comment on a matter upon which the Department declines to comment, or by February 25, 2007 if you wish to waive that right.

ADDITIONAL INFORMATION

Detailed instructions regarding the requirements for notification of interested parties may be found in sections 17 and 18 of Revenue Procedure 2006-6. Additional information concerning this application (including, where applicable, an updated copy of the plan and related trust; the application for

determination; any additional documents dealing with the application that have been submitted to the IRS; and copies of sections 17 and 18 of Revenue Procedure 2006-6) are available at the Human Resources Office of Los Alamos National Security, LLC, Los Alamos Research Park, 4200 West Jemez Road, Los Alamos, during regular business hours for inspection and copying. (There is a nominal charge for copying and/or mailing.)

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A "present employee eligible to participate in the Plan" means an employee of LANS hired on or after June 1, 2006, including summer employees, or an employee who satisfies the requirements of Subsection (a); provided that in both cases, such employee is not excluded under Subsection (b).

- (a) An employee who is a former employee of the University of California who was an active member in the University of California Retirement Plan (UCRP), who
 - (i) transferred to employment with LANS on or about June 1, 2006, and
 - (ii) made a Choice Election to accept employment with LANS as of June 1, 2006 in accordance with the terms of Total Compensation Package 2 (TCP2), or
 - (ii) an inactive member in the LANS Defined Benefit Pension Plan who,
 - (A) made an initial choice election to accept employment with LANS as of June 1 in accordance with the terms of Total Compensation Package 1(TCP1);
 - (B) thereafter terminated employment; and
 - (C) subsequently was rehired by LANS in a job classification other than "Lab Associate" or "Lab Fellow."
- (b) Notwithstanding Subsection (a), an individual described below shall not become an eligible employee:
 - (i) An employee who is eligible to participate in the LANS 401(k) Savings Plan or Total Compensation Package 1 (TCP 1); or
 - (ii) An individual who is not classified by LANS, in its sole discretion, as an employee under Code section 3121(d) (including but not limited to an individual classified by LANS as an independent contractor or independent consultant or non-employee consultant); or
 - (iii) An individual who is classified by LANS, in its sole discretion, as an employee of an entity other than LANS; or
 - (iv) An employee who is scheduled to work not more than 832 hours in a 12-month period; provided that in the event the employee earns 1000 or more hours of service (as defined in DOL Regulation 2530.200b-2) in a Plan Year or during the employee's first 12 months of service for LANS, such employee shall be an eligible employee if he or she otherwise satisfies the eligibility of requirements of the Plan.

An individual described in clause (ii) or (iii) above shall not meet the definition of eligible employee, and will be ineligible to participate in the Plan, even if the classification is subsequently determined to be erroneous or is retroactively revised. For purposes of the preceding sentence, an individual will be treated as "not classified as an employee" for any period if the payments to that individual by LANS for services are not initially treated by LANS as subject to the federal tax withholding and tax reporting obligations that apply to payments of "wages" to employees under Code section 3121(d).

An employee who makes a choice election to accept employment in accordance with the terms of TCP 2 becomes an eligible employee on the later of the date the individual becomes an Employee or June 1, 2006.