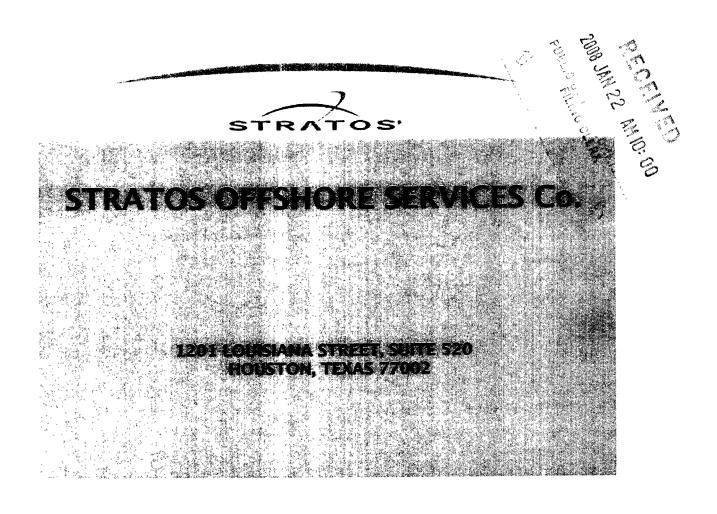


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WORKFORCE AND SUPPLIER DIVERSITY REPORT FOR

SMALL AND HISTORICALLY UNDERUTILIZED BUSINESSES

PLAN YEAR 2007 PROJECT PLAN NO. 30240



STRATOS OFFSHORE SERVICES Co.

1201 LOUISIANA STREET, SUITE 520 HOUSTON, TEXAS 77002

WORKFORCE AND SUPPLIER DIVERSITY REPORT

FOR SMALL AND HISTORICALLY UNDERUTILIZED BUSINESSES

PLAN YEAR 2007 PROJECT PLAN NO. 30240

AP Approved by:

James Parm

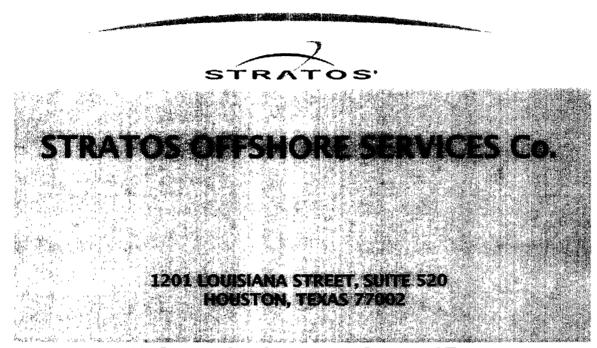
President & Chief Executive Officer of Stratos

AAP Prepared and Approved by:

Neil Prakash

Vice President – Human Resources

Dunn & Bradstreet Number: 24-723-1723



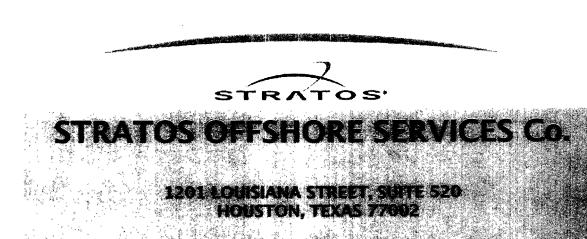
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CONFIDENTIAL TRADE SECRET

The Workforce and Supplier Diversity Report contains confidential and trade secret and commercial information protected from disclosure by Office of Federal Contract Compliance Programs pursuant to 18 U.S.C. § 1905. In addition, exemptions 3 and 4 of the Freedom of Information Act ("FOIA"), protect information in this document from mandatory disclosure to FOIA requestors. See, e.g., Chrysler v. Brown, 441 U.S. 281 (1979). Furthermore, release of any trade secret, confidential statistical or commercial information would be arbitrary and capricious in violation of the Administrative Procedure Act. See, e.g., CAN Financial Corp. v. Donovan, 830 F. 2d 1132, 1144 (D.C. Cir.), cert. Denied, 485 U.S. 977 (1988).



WORKFORCE AND SUPPLIER DIVERSITY REPORT

FOR SMALL AND HISTORICALLY UNDERUTILIZED BUSINESSES

PLAN YEAR 2007 PROJECT PLAN NO. 30240

INTRODUCTION

Stratos Offshore Services Co. sets forth this Workforce and Supplier Diversity Report for the plan year 2007, reaffirming its commitment pursuant to the requirement of the Public Utility Regulatory Act (PURA) # 52.256(b). Stratos Offshore Services Co. will continue its efforts to comply with appropriate government regulations and to make the best possible use of personnel while contributing to the betterment of society and the community.

In developing this plan, Stratos recognizes its duty to ensure equal employment opportunity.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES 2007

(1) Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:

Stratos Offshore Services Co. expanded its recruitment web site in the State of Texas to include all of the United States in an effort to attract and hire qualified diverse applicants. This web site is also used to reach out to small and historically underutilized businesses seeking contracting opportunities.

(2) Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

For the 2007 filing year, Stratos Offshore Services Co. increased the employee population from 25 in 2006 to 33 in 2007. Given the small employee base, no appreciable increase in the flow of diverse applicants was realized in this second year of filing eligibility. The supplier needs of the organization showed no appreciable change from the previous year given the small employee base.

(3) Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for the small and historically underutilized business:

To increase the diversity of its workforce Stratos Offshore Services Co. will continue to explore the implementation of the following strategies:

- Provide training and guidance to employees involved in the recruitment, selection, and performance management to ensure non discriminatory practices in the hiring process.
- Identify and develop the campus contacts for recruitment activities at Prairie View A&M, Houston-Tillotson, and other historically black colleges and universities.
- Expand its recruitment activities outside the State of Texas to include a national search for applicants thereby casting a broader net to attract qualified women and minorities to Stratos Offshore Services Co.

- Where possible, establish regional relationships with student organizations such as the National Society of Black Engineers, the Society of Women Engineers, the National Society of Hispanic Engineers, the American Indian Society of Engineers and Scientists and other related organizations including the Consortium for Graduate Studies in Management.
- Where possible, utilize minorities and women in recruiting and referring applicants.
- In the fourth and fifth year of the Workforce and Supplier Diversity Plan, Stratos will explore the possibility of special programs designed to develop short and long term minority staffing strategies such as high school and college co-op programs, summer and special internships and scholarship programs.
- In the fourth and fifth year of the Workforce and Supplier Diversity Plan, where appropriate, Stratos will coordinate its participation in career days, job fairs, and other college relations efforts with its recruitment schedules and activities.

To increase contracting opportunities with small and historically underutilized businesses, Stratos Offshore Services Co. will continue to investigate the implementation of the following strategies:

- Establish national and regional relationships with the National Minority Supplier Development Council (NMSDC). The initial focus will be on the Houston, Dallas and Austin chapters.
- Establish a relationship with the National Association of Black Purchasing Agents in an effort to access the pool of minority suppliers on a national level. The focus for 2008 will be to build a relationship with the Southwest Region of NABPA.
- Where possible, assist minority vendors in becoming qualified to contract with Stratos. We will explore more ways to use our web site to be a resource to minority and small business vendors.
- Explore advertising opportunities in minority media such as Black Enterprise, Hispanic Times and others.

For the filing year 2007, Stratos Offshore Services Co. added 8 new employees in the State of Texas. The total employee population is currently 33. The above initiatives will continue to be evaluated and implemented over the next five years

dependent on the size and supplier needs of the organization in the State of Texas. With a small employee base, there will be a limited number of recruitment and supplier needs in any given year. The initiatives in the area of Workforce and Supplier Diversity will be implemented over the next 3 years proportionately to developing needs.

(4) State the specific progress made under the plan filed by the utility

Stratos Offshore Services Co. has identified the historically Black colleges and Universities in the state of Texas as well as the Junior colleges that would be a source to recruit qualified diverse applicants. The organization has researched the relevant student and national organizations that can be used to increase the hiring of diverse applicants and to attract minority suppliers and other small businesses. As the need for the employee base and minority supplier contractors increases, Stratos Offshore Services Company now has the capability to identify the appropriate strategy to meet those needs.