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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

MAY 1 2 2003

T:EP:RA:T:A1

In re:

This letter constitutes notice that with respect to the above-named defined benefit pension plans we have granted conditional waivers of the minimum funding standard for the plan years ending December 31, 1996.

These waivers have been granted in accordance with section 412(d) of the Internal Revenue Code (Code) and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The waived amount for each plan is the amount that would be required to reduce the balance in the funding standard account to zero as of December 31, 1996, after payment of the amount described in section 412(b)(2)(C) of the Code and section 302(b)(2)(C) of ERISA to amortize prior waivers and after payment of any other contributions for the plans that were made on or before September 15, 1997.

The information furnished indicates that the company had net losses for its fiscal years ending December 31, 1994 and 1995, and a modest net income for 1996.. The company also had negative net worth for its fiscal years ending December 31, 1995 and 1996. The company expects business to pick up for 1997 and is also contemplating the sale of non-core assets to provide needed working capital.

In October 1997, the company entered into an agreement with the Pension Benefit Guaranty Corporation (PBGC) (hereinafter referred to as the "PBGC Agreement") under which the company agreed to make certain payments to the plans and to merge certain plans. In return, the PBGC agreed to release the liens that it had filed against the real property of the company. Under the PBGC Agreement, the payments were to be made on or before January 15, 1998.

Your attention is called to section 412(f) of the Code and section 303(b) of ERISA which describe the consequences which would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits, or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized.

A copy of this letter should be filed with any amended Forms 5500 for the plan years ended December 31, 1996. A copy should be furnished to the enrolled actuary for the plans. We have sent a copy of this letter to Manager, Employee Plans Classification

Sincerely,

Carol Gold

Carol Gold, Director
Employee Plans