



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

200453025

OCT 05 2004

SE: T: EP: RA: T: A2

In re:

Plan 1 =

Plan 2 =

Company =

Parent =

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for each of the above-named pension plans for the plan year beginning [REDACTED]

Each conditional waiver has 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 amount for which each of the conditional waivers has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year.

The Company has experienced hardship as evidenced by, on a consolidated basis, negative working capital for the fiscal years ending in [REDACTED] and [REDACTED], negative net worth for the fiscal years ending in [REDACTED] through [REDACTED], and net losses in income for the [REDACTED], [REDACTED], and [REDACTED] fiscal years.

The Company has experienced increased funding liabilities because of a negotiated amendment providing for a Rule of 85 Retirement Date that resulted in increased earlier retirements, low mandated interest rates used in funding calculations, weak investment performance of plan assets, and an increase of the Company's share of health insurance costs in [REDACTED] to [REDACTED]% of the total cost.

The Company has taken numerous steps to effect recovery and improve its financial position. The Company experienced a positive operating profit and net

profit for the fiscal year ending [REDACTED]. Steps taken by the Company have included:

- increasing the efficiency of its operations, and implementing cost reductions;
- substantially reducing its office and plant workforce;
- renegotiating a number of financing agreements to more favorable terms;
- reducing capital expenditures as a result of terminating its building lease in order to purchase the land and building of its primary office and manufacturing facility; and
- renegotiating its labor contract on [REDACTED] to include the following concessions retroactive to [REDACTED]:
 - changing the health insurance to a higher deductible plan with employees paying a greater share of cost;
 - phasing out retiree medical insurance;
 - terminating Medicare supplement coverage for retirees over age [REDACTED], effective [REDACTED];
 - freezing both Plan 1 and Plan 2 effective [REDACTED];
 - giving employees fewer paid holidays starting in [REDACTED]; and
 - freezing wages for all employees in [REDACTED].

Benefit accruals under both Plan 1 and Plan 2 were frozen effective [REDACTED]. As of [REDACTED], the funded status on a current liability basis is [REDACTED]% for Plan 1 and [REDACTED]% for Plan 2.

Because recovery prospects are still somewhat questionable, the waiver for each plan is granted subject to the following condition.

The Company will contribute the applicable minimum funding standard to the plan by the period described in § 412(c)(10) of the Code for the plan year beginning January 1, 2004 (i.e., by September 15 of the following year), including the amortization payment for the conditional waiver granted to the plan for the [REDACTED] plan year.

The Company has agreed to this condition. If this condition is not satisfied for a plan the waiver for that plan is retroactively null and void.

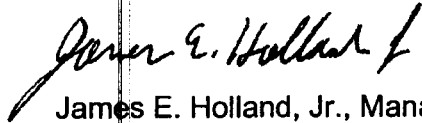
Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to other retirement plans maintained by the Company to increase the liabilities of those plans, or the establishment of new plans, would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year beginning [REDACTED], for each plan, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the Manager, EP Classification, in [REDACTED], and to your authorized representative in accordance with a power of attorney (Form 2848) on file with this office.

If you have any questions concerning this letter, please contact [REDACTED] any correspondence relating to this letter, please refer to SE:T:EP:RA:T:A2 as well.

Sincerely,



James E. Holland, Jr., Manager
Employee Plans Technical