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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

SEP 13 2007

Number: **200749019**
Release Date: 12/7/2007

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T:EP:RA:T:A2

Re:

Plan =

Former Parent =

This letter constitutes notice that, with respect to the above-named defined benefit pension plan:

(1) Section 401(a)(33) of the Internal Revenue Code ("Code") and section 204(i)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), do not apply to the proposed amendment to the Plan as described below.

(2) Section 412(f)(1) of the Code and section 304(b)(1) of ERISA do not apply to the proposed amendment to the Plan as described below.

Section 401(a)(33)(A) of the Code provides that a plan is not a qualified plan if an amendment is adopted while the employer is a debtor in a case under title 11, United States Code, or similar Federal or State law, and such amendment increases liabilities of the plan by reason of (i) any increase in benefits, (ii) any change in the accrual of benefits, or (iii) any change in the rate at which benefits become nonforfeitable under the plan, with respect to employees of the debtor, and such amendment is effective prior to the effective date of such employer's plan of reorganization.

Section 401(a)(33)(B) of the Code provides that section 401(a)(33) will not apply to any plan amendment if (i) the plan, were such amendment to take effect, would have a funded current liability percentage of 100 percent or more, (ii) the Secretary of the Treasury determines that such amendment is reasonable and provides for only de minimis increases in the liabilities of the plan with respect to employees of the debtor, (iii) such amendment only repeals an amendment described in subsection 412(c)(8), or (iv) such amendment is required as a condition of qualification under this part.

Section 412(f)(1) of the Code provides that if a waiver of the minimum funding standard under section 412(d) of the Code is in effect with respect to a plan that is amended to increase the liabilities of the plan by reason of any increase in benefits, any change in the accrual of benefits, or any change in the rate at which benefits become nonforfeitable, such waiver shall not apply to any plan year ending on or after the date on which such amendment is adopted. Section 412(f)(2)(A) of the Code provides that section 412(f)(1) of the Code shall not apply to any plan amendment which the Secretary of Labor determines to be reasonable and which provides only de minimis increases in the liabilities of the plan.

Reorganization Plan No. 4, which became effective December 31, 1978, transferred the authority indicated in section 412(f)(2) from the Secretary of Labor to the Secretary of Treasury.

Section 204(i)(1) of ERISA prohibits a plan amendment that increases the liabilities of a plan maintained by an employer that is a debtor under Title 11 of the United States Code, or similar Federal or State law, by reason of (A) any increase in benefits, (B) any change in the accrual of benefits, or (C) any change in the rate at which benefits become nonforfeitable under the plan, with respect to employees of the debtor, and such amendment is effective prior to the effective date of such employer's plan of reorganization.

Section 204(i)(2) of ERISA provides that section 204(i)(1) shall not apply to any plan amendment that (A) the Secretary of the Treasury determines to be reasonable and that provides for only de minimis increases in the liabilities of the plan with respect to employees of the debtor, (B) such amendment only repeals an amendment described in section 302(c)(8), (C) is required as a condition of qualification under the Code, or (D) was adopted prior to, or pursuant to a collective bargaining agreement entered into prior to, the date on which the employer became a debtor in a case under Title 11 of the United States Code, or similar Federal or State law.

Section 204(i)(3) of ERISA provides that section 204(i)(1) only applies to plans (other than multiemployer plans), for which the funded current liability percentage is less than 100 percent after taking into account the effect of the amendment.

Section 304(b)(1) of ERISA provides that if a waiver of the minimum funding standard under section 303 of ERISA is in effect with respect to a plan that is amended to increase the liabilities of the plan by reason of any increase in benefits, any change in the accrual of benefits, or any change in the rate at which benefits become nonforfeitable, such waiver shall not apply to any plan year ending on or after the date on which such amendment is adopted. Section 304(b)(2)(A) of ERISA provides that section 304(b)(1) of ERISA shall not apply to any plan amendment which the Secretary of Labor determines to be reasonable and which provides only de minimis increases in the liabilities of the plan.

The Company is a U.S.-based global supplier of vehicle electronics, transportation components, integrated systems and modules, and other electronic technology with a network of manufacturing sites, technical centers, sales offices, and joint ventures in every major region of the world. The Company supplies products to automotive original equipment manufacturers worldwide, and its customer base includes customers in the communications, computer, consumer electronics, energy, and medical devices industries.

In October , the Company filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code. The Company continues to operate its business as debtor-in-possession. In a ruling letter dated May 1, 2007, the Plan received a conditional waiver of the minimum funding standard for the plan year ending September 30, . In a ruling letter dated July 13, 2007, this conditional waiver was modified at the Company's request.

The Company has announced its intention to cease benefit accruals for most participants under the Plan before or soon after its emergence from Chapter 11 bankruptcy protection. After the cessation of benefit accruals, participants in the Plan will continue to earn eligibility and vesting service credits until termination of employment with the Company.

Prior to or soon after its emergence from Chapter 11 bankruptcy protection, and prior to or soon after benefit accruals to the Plan cease, the Company may sell or otherwise divest certain non-core business units, and certain of its salaried employees may return to employment at the Former Parent. It is anticipated that such divestitures or returns to the Former Parent will involve the transfer of current participants in the Plan to new employers.

Absent an amendment to the Plan, such a transfer would break the service of the transferred participants and prevent them from continuing to earn eligibility and vesting service credits in the Plan. This would result in vested participants in the Plan being treated as "deferred vested", unable to earn eligibility and vesting service credits under the Plan.

Consequently, the Company proposes to amend the Plan to recognize service performed by former participants transferred to the Former Parent or to another successor employer as part of the divestiture of a business unit of the Company for purposes of eligibility and vesting.

The proposed amendment would only apply to employees who were employed by the Company and covered by the Plan immediately prior to the sale dates. Post-sale service credits would be included with pre-sale service credits to determine eligibility for certain benefits that are provided by the current provisions of the Plans. Under the proposed amendment, post-sale service for participants who become employees of buyers will be treated exactly the same as post-freeze service for participants who remain employed by the Company.

After the amendment described above, the Plan will have a current liability percentage that is less than 100 percent, and the Company will still be a debtor in possession in a case under Title 11 of the United States Code. The amendment will be adopted prior to the Company's date of reorganization to (a) provide the buyers of the non-core business units with a viable workforce, and (b) to administer the Plan in accordance with past practice.

These reasons in and of themselves are not sufficient to consider the amendment reasonable. However, the Company has a unique history with its Former Parent. Prior to the Company's spin-off from its Former Parent, the Former Parent's plans were typically amended to continue to recognize post-divestiture service with the buyer for purposes of eligibility. As a result, the Company's employees have longstanding expectations regarding their treatment in the event that they are transferred to a buyer of their operation. Consequently, the amendment would be consistent with the Company's long-term established business practice and would provide an economic benefit to the Company by enabling it to consummate divestiture of non-core businesses. Hence, the amendment is reasonable.

According to information provided by the enrolled actuary for the Plan, the proposed amendment to the Plan will have a negligible impact on the total annual cost to the Company, and any increases in liabilities or costs to the Plan, or the minimum required contributions to the Plan, will be virtually nil. Accordingly, the amendment is de minimis.

Hence, because the proposed amendment to the Plan is reasonable and provides for only de minimis increases in plan liabilities:

(1) Section 401(a)(33) of the Code and section 204(i)(1) of ERISA do not apply to the proposed amendment to the Plan.

(2) Section 412(f)(1) of Code and section 304(b)(1) of the ERISA do not apply to the proposed amendment to the Plan.

This ruling considers only the application of sections 401(a)(33) and 412(f) of the Code, and sections 204(i)(1) and 304(b)(2) of ERISA, to the amendment described above and does not consider any other issues that may arise in connection with the Plan or the proposed amendment.

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

We have sent a copy of this letter to the Manager,
to the Manager, and to your authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact

Sincerely yours,

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