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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

SEP 24 2002

UIL: 412.06-00

T:EP:RA:T:A1

In re:

Company =

This letter constitutes notice that with respect to the above-named defined benefit pension plan we have granted a conditional waiver of the minimum funding standard for the plan year ended December 31, 2001.

This conditional waiver for the plan year ended December 31, 2001, has been granted in accordance with section 412(d) of the Internal Revenue Code and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The waived amount is the contribution which would otherwise be required to reduce the balance in the funding standard account to zero as of the end of the plan year for which this conditional waiver has been granted.

The Company has a calendar year fiscal year. Cumulatively, from 1998 through 2001, the Company had de minimus net profits. Near the end of 2001, the Company was first informed by the new enrolled actuary for the Pension Plan (who had taken over the Pension Plan beginning with the 2001 plan year) that the plan had a significantly larger funding deficiency than the deficiency that had been reported by the prior enrolled actuary for the plan, and that the minimum funding contribution for the plan year ending December 31, 2001, would be substantially higher than it had been in previous years. Note that the other information available to the Company was not sufficient for it to determine the magnitude of the funding deficiency.

To effect a recovery, and to be able to meet the minimum funding requirements for future plan years, the Company has frozen benefit accruals under the Pension Plan, instituted price increases, and is developing programs to reduce expenses through the closure of marginal profit centers and the institution of policies and procedures to curtail future capital expenditures.

As of January 1, 2001, the value of the assets of the plan was equal to 68% of the plan's current liability. Because the prospects for recovery are uncertain and because the plan is under-funded, we are granting this waiver subject to the following condition:

> The contributions required to satisfy the minimum funding standard for the plan years ending December 31, 2002 and 2003, are to be timely made as defined in section 412(c)(10) of the Code (without a waiver being granted for such years).

If this condition is not satisfied, the waiver is retroactively null and void. You agreed to this condition in a letter dated August 26, 2002.

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 or to the company's profit sharing plan, to increase the liabilities of those 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 taxpayer 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 ended December 31, 2001, the date of this letter should be entered on Schedule B (Actuarial Information). A copy of this letter is being sent to your authorized representative in accordance with a power of attorney (Form 2848) on file. A copy of this letter has also been sent to the Manager, Employee Plans Classification in A copy of this letter should be furnished to the enrolled actuary for the plan.

If you have any questions on this ruling letter, please contact

Sincerely,

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