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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

OCT 08 2002

T:EP:RA:T1

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 letter also constitutes notice that we have modified the conditions set forth in our letters of March 15, 2000, and June 22, 2001, for the waivers of the minimum funding standards for the plan years ending December 31, 1999, and December 31, 2000, respectively.

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 information furnished indicates that the Company had a net loss for the fiscal year ending December 31, 1998, de minimus net profits for the fiscal years ending December 31, 1999, and December 31, 2001, and a substantial net profit for the fiscal year ending December 31, 2000. However, in 2000, all but a de minimus portion of the net profit was due to a one-time book gain related to the (non-cash generating) removal from the balance sheet of the book liability for future post-retirement medical benefits. The information further indicates that the Company has had negative net worth throughout this period.

The Company states that its industry is nearing the end of a cyclical downturn, and that the Company anticipates that the market for its products will rebound in the near future. To facilitate a recovery, the Company has reduced salaried staff, improved plan productivity through employee education and increased supervision, and is pursing an outsourcing strategy to lower manufacturing costs.

As of January 1, 2001, the value of the assets of the plan were equal to 59% 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 conditions:

(1) 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).

(2) The quarterly contributions described in Code section 412(m) are to be made on or before the due dates beginning with the payment due January 15, 2003.

(3) The waiver for the plan year ending December 31, 2001, is to be secured, within twelve months of the date of this letter, in a manner acceptable to the

If these conditions are not satisfied, the waiver is retroactively null and void. You agreed to these conditions in a letter dated September 16, 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 letter also modifies our ruling letters dated March 15, 2000, (as modified by our letter of June 22, 2001) and June 22, 2001, granting conditional waivers for the 1999 and 2000 plan years respectively. Under the term of the March 15, 2000, letter (as modified by our letter of June 22, 2001), the waiver for the 1999 plan year was subject to three conditions. The Company did not satisfy Conditions 1 and Condition 2. Accordingly, our letter of March 15, 2000, is modified such that Condition 1 and Condition 2 read as follows:

(1) 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).

(2) The quarterly contributions described in Code section 412(m) are to be made on or before the due dates beginning with the payment due July 15, 2000 (excluding the payments due January 15, 2001, April 15, 2001, January 15, 2002, and October 15, 2002).

Under the terms of the June 22, 2001, letter, the waiver for the 2000 plan year was subject to three conditions. The Company did not satisfy Conditions 1 and Condition 2. Accordingly, our letter of June 22, 2001, is modified such that Condition 1 and Condition 2 read as follows:

(1) 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).

(2) The quarterly contributions described in Code section 412(m) are to be made on or before the due dates beginning with the payment due July 15, 2001 (excluding the payments due January 15, 2002, and October 15, 2002).

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 is also being 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,

Carol D. Gold
Director, Employee Plans