Significant Index No. 0412.06-00 Third Party contact: Participants

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TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

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

DEC I 0 2001

T:EP:RA:T:A1

In re:

This letter constitutes notice that with respect to the above-named multiemployer pension plan we have granted a waiver of the minimum funding standard for the plan year ending December 31. 1999.

The waiver for the plan year ended December 31, 1999 has been granted in accordance with § 412(d) of the Internal Revenue Code and § 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 waiver has been granted.

Pursuant to § 412(d)(l) of the Code and § 303(a) of ERISA, in the case of a multiemployer plan, at least 10 percent of the participating employers must have temporary substantial business hardship in order for the Service to grant a waiver. The financial information furnished indicates that at least 10 percent of the participating employers have temporary substantial business hardship. Your authorized representative has stated that since the application for this waiver was made several participating employers have gone out of business and/or withdrawn from the plan.

Employers have regularly contributed to the plan (this plan year is the first one that the employers have not satisfied the funding requirements). However, due to a drastic downturn in the value of plan assets, the minimum funding requirement for the year in question was significantly higher than in prior years. The losses were attributable to certain real estate investments that have proved difficult to liquidate or are the subject of ongoing litigation, To illustrate the extent of the problem, plan assets decreased by more than 19 percent from January 1, 1998 to January 1, 1999. We note that if not for the severe decrease in the plan's assets, the employers' contributions would have otherwise been sufficient to meet the minimum funding requirement.

To effect a recovery of the plan assets, benefit accruals have been frozen as of May 1, 2000, and the plan was amended on that same date to cease or reduce certain ancillary benefits. Also, some of the real estate investments have been liquidated or are in the process of being liquidated. When all of the real estate investments are liquidated, its is anticipated that there will be no future investment in real estate. Also, plan trustees have initiated legal proceedings against several delinquent employers. Finally, it is expected that employer contribution rates will be increased in the next rounds of collective bargaining.

Your attention is called to § 412(f) of the Code and § 304 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.

When filing Form 5500 for the plan year ending December 31, 1999, a copy of this letter should be attached to the Schedule B (Actuarial Information). We have sent a copy of this letter to your authorized representative pursuant to a Form 2848 (power of attorney) on file with our office. We have also sent a copy of the letter to the EP Classification Manager in If you have any questions, please contact me. Or, you may contact

Sincerely,

Carol D. Gold
Carol D. Gold. Director
Employee Plans