

200512031



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

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEC 28 2004

*SE.T.EP.RA.T.AZ*

In re:

Company =

This letter constitutes notice that a waiver of the minimum funding standard for the above-named plan for the plan year ending [REDACTED] has been granted subject to the following conditions:

- (1) Within 120 days of the date of this letter, collateral, that is acceptable to the Pension Benefit Guaranty Corporation ("PBGC"), is provided to the Plan to secure the amount of the waived funding deficiency.
- (2) The Company will make contributions to the Plan in amounts sufficient to meet the minimum funding requirements for the Plan for the plan year ending [REDACTED] by [REDACTED] (without a waiver being granted).

Your authorized representative agreed to these conditions in a letter dated December 22, 2004. If these conditions are not satisfied, the waiver is retroactively null and void.

This conditional waiver 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 amount for which this conditional waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of [REDACTED]

The Company produces [REDACTED]

[REDACTED] The Company has a 50% share of the North American market [REDACTED]

[REDACTED] The Company's primary market is the [REDACTED]

The Company has historically been profitable. However, beginning in the early 2000's, the Company began experiencing significant financial hardship as a result of low metal prices, weak demand, a difficult economic environment due to import competition, and poor financial performance of some of its debt-financed investments outside the United States. These financial difficulties forced the Company to seek bankruptcy under Chapter 11 of the U.S. Bankruptcy Code on [REDACTED]. The Company has since emerged from bankruptcy upon approval of its plan of reorganization on [REDACTED].

In connection with its restructuring efforts, the Company has focused on achieving cost reductions through union negotiations, reductions in employee benefit costs, closure of a plant, restructuring of its secured debt, significant expenditure and inventory control, entering into an exit financing facility, and divestiture of its poorly-performing investments outside the United States. These efforts, along with an improving economy, have allowed the Company to emerge from bankruptcy as a much more efficient operation. Currently, the Company's operations and exit financing provide only enough cash to service the Company's debt, leaving little cash for operations. However, the increase in production efficiencies will result in a greater cash flow in the next two to three years allowing the Company to fund the Plan on an ongoing basis.

Financial projections provided by the Company shows a return to profitability in [REDACTED] and [REDACTED], and cash flows that will allow the Company to resume funding the Plan during the plan year ending [REDACTED]. In fact, the Company is committed to meeting the minimum funding standard for the plan year ending [REDACTED] and has made the first quarterly payment that was due [REDACTED] and has indicated that it will make the quarterly payment due on [REDACTED]. However, the Plan is only 62.6% funded on a current liability basis. Therefore, the waiver for the plan year ending [REDACTED] has been granted subject to the conditions listed above.

Your attention is called to section 412(f)(1) 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, to 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 the establishment of another retirement plan, or any amendment to other retirement plans maintained by the Company 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.

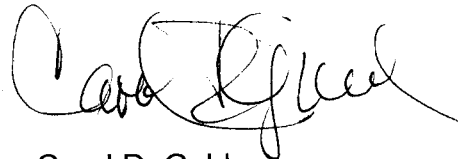
This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending [REDACTED] the date of this letter should be entered on Schedule B (Actuarial Information). For this reason, we suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

We have sent a copy of this letter to the Manager, EP Classification in [REDACTED], to the Manager, EP Compliance Unit in [REDACTED] 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,



Carol D. Gold  
Director, Employee Plans

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