Internal Revenue Service

Significant Index No. 0412.06-00

Department of the Treasury

Washington, DC 20224

20000 1044

Person to Contact:

Telephone Number:

Refer Reply to:

OP:E:EP:A:2

Date:

OCT 13 1999

Re:

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for the above-named defined benefit pension plan for the plan year ended December 31, 1998. The waiver was requested in a letter dated March 1, 1999.

The conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code (the "Code") and section 303 of the Employee Retirement Income Security Act of 1976 ("ERISA"). The amount for which the waiver has been granted is the contribution which would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year for which the waiver has been granted (after the payment of at least the amount required under section 412(b)(2)(C) of the Code to amortize any waivers for prior plan years).

The Company has experienced a prolonged, but gradually lessening, financial hardship due to several factors. Among the causes of financial hardship is the increase, since 1994, in pension costs due to additional funding requirements under section 412(l) of the Code, as amended by the Retirement Protection Act of 1994. Also, due to an oversupply of competing products, the going price for decreased drastically, from $1.26 per pound in 1996, to $0.61 per pound in early 1999. However, the Company has been successful in initiating and implementing several cost cutting measures, with both short and long term effects, including contract negotiations with power supply companies to reduce rates for multiple-year periods, quality improvement projects to make more efficient use of and labor negotiations to hold down otherwise rising pension costs. After incurring a very small gain in 1996 and a net loss in 1997, the Company showed a net gain in 1998.

There is considerable evidence that the Company, and its labor force, are committed to the long term survival of the pension plan. On September 5, 1997, the Company, the union representing the Company's labor force, and the Pension Benefit Guaranty Corporation (PBGC) executed an agreement to provide for the continuation of the plan. Under this agreement, the

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Company was required to contribute $2.1 million to the plan in 1998, $2.2 million in 1999, and to continue this pattern of contributions, increasing by $100,000 per year, through 2007. As of the current date, based on submitted information, the Company has satisfied their obligations under this agreement. In addition, benefit accruals under the plan for the employees of the Company were frozen in 1997, and remain frozen as of the current date.

Therefore, it has been determined to be in the participant's best interest, in the aggregate, to grant the waiver subject to the following condition, to which you have agreed: The minimum funding requirement of the plan will be satisfied for the plan year ending December 31, 1999.

If the Company fails to meet the condition above, the waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which 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.

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

When filing Form 5500 for the plan year ending December 31, 1998, the date of this letter should be entered on the Schedule B (Actuarial Information). We have sent a copy to the Key District Director for the Region in , and to the PBGC. We have also sent a copy of this letter to your authorized representative pursuant to a power of attorney on file (Form 2848).

Sincerely yours,

Carol D. Gold
Director, Employee Plans Division