



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

200634032

SE:T:EP:RA:T:A2

APR 24 2006

In re:

Company A =

Company B =

This letter constitutes notice that (1) the conditional waiver of the minimum funding standard for the above-named Plan for the plan year ending December 31, , which was granted in our ruling letter dated October 14, , has been modified to (a) remove condition (1) and (b) change the deadline by which an agreement must be reached with the Pension Benefit Guaranty Corporation ("PBGC") on securing repayment of the waived amount from January 15, , to August 4, , and (2) a waiver of the minimum funding standard has been granted for the above-named plan for the plan year ending December 31, , subject to the following conditions:

- (1) collateral acceptable to the PBGC be provided to the Plan for the full amount of the waiver by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter;
- (2) the Company provides to the PBGC a copy of any ruling requests it makes under section 412(f)(1) of the Code;
- (3) the Company makes all required quarterly contributions to the Plan in a timely manner while the Plan is subject to a waiver of the minimum funding standard, beginning with the quarterly contribution due on July 15, ; and
- (4) the Company makes contributions to the Plan in amounts sufficient to meet the minimum funding requirement for the Plan for the plan years ending December 31, , through , by September 15, , through , respectively (without applying for a waiver of the minimum funding standard).

Your authorized representative agreed to these conditions in an e-mail dated April 19, . If any one of these conditions is not satisfied, the waiver is retroactively null and void.

This conditional waiver of the minimum funding standard 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 December 31, .

Company A, through its subsidiaries, is in the business of manufacturing dry van trailers and distributing after-market replacement parts for trailers. Company B, a subsidiary of Company A, and its subsidiary have ceased manufacturing and have been liquidated.

The Plan no longer has any active participants. The only employees that have participated in the Plan are the union employees at one of Company B's former plants, which was closed in December .

The elimination of Company B as an operating subsidiary, the effects of declining sales over the last few years, and the declining dollar have combined to continue the Company's business hardship into and . However, Company A is convinced that the industry-wide recovery in the trailer industry that began in late , increased sales orders for and , and an improving dollar are harbingers of a financial turnaround. In order to speed the recovery, Company A continues to introduce measures to reduce costs, cut spending, and improve efficiency to improve its cash flow. Rising internet sales, increased production at its manufacturing facility, and improving sales volumes representing 5 months of production at maximum rates allowable are all signs that the financial condition of Company A has turned around. Furthermore, the Company has negotiated credit facilities with a new lender. While the facility includes restrictions on payments to Company A, Company A generated cash flow that will allowed it to resume funding contributions to the Plan in and to meet the minimum funding standard for the Plan for the plan year ending December 31, . However, the Plan is poorly funded on a current liability basis, and the Plan has already received a funding waiver for a prior year. Hence, the modification of the funding waiver and a waiver of the minimum funding standard for the plan year ending December 31, , have been granted subject to the conditions stated above.

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 a profit sharing plan or any other retirement plans (covering employees covered by this plan) 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. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this plan) 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 December 31, , 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 , to the Manager, EP Compliance Unit in , 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,



Donna M. Prestia, Manager
Employee Plans Actuarial Group 2