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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

JUL 3 1 2007

In re:

Plan =

Taxpayer =

Dear

This letter constitutes notice that, with respect to the above named multiemployer plan, conditional approval has been granted for your request for a 10-year extension for amortizing the unfunded liabilities described in section 412(b)(2)(B) of the Internal Revenue Code ("Code") and section 302(b)(2)(B) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The extension is granted for the amortization periods for amortizing unfunded liabilities of the Plan for the plan year beginning January 1, . The application for the extension was filed prior to June 30, 2005.

The extension of the amortization periods of the unfunded liabilities of the Plan have been granted in accordance with section 412(e) of the Code and section 304(a) of ERISA (all references to the Code and ERISA are to the law in effect prior to the passage of the Pension Protection Act of 2006, P.L. 109-280). Section 412(e) of the Code and section 304(a) of ERISA authorize the Secretary of Labor to extend the period of time required to amortize any unfunded liability (described in section 412(b)(2)(B) of the Code and section 302(b)(2)(B) of ERISA) of a plan for a period of time (not in excess of 10 years) if the Secretary determines that such extension would carry out the purposes of ERISA and would provide adequate protection for participants under the plan and their beneficiaries and if the Secretary determines that the failure to permit such extension would (1) result in (A) a substantial risk to the voluntary continuation of the plan, or (B) a substantial curtailment of pension benefit levels or employee compensation, and (2) be adverse to the interests of plan participants in the aggregate.

Section 101 of Reorganization Plan No. 4 of 1978, 1979-1 C.B. 480, transferred the authority for issuing rulings under section 304(a) of ERISA from the Secretary of Labor to the Secretary of the Treasury. Accordingly, the amortization periods for the unfunded liabilities of the Plan are extended as described above under section 412(e) of the Code and section 304(a) of ERISA.

The Plan experienced investment returns/losses of %, (- %), and (- %) for the plan years ended December 31, , and , respectively. In view of these losses, employer contribution levels, fixed by collective bargaining agreements, are inadequate to meet the Plan's anticipated minimum funding requirements. In response, contributions to the Plan were significantly increased and the benefit accrual rates under the Plan were significantly reduced. However, despite these actions to improve the funded status of the Plan, without an extension the Plan would have a funding deficiency by the end of the plan year beginning January 1, . The Taxpayer has represented that the contributions required to avoid funding deficiencies for the plan year and subsequent years are unattainable under collective bargaining.

If, however, the requested amortization period extension was to be granted, the funding standard account calculations show no funding deficiencies for and subsequent years. Accordingly, failure to permit the extension would result in a substantial risk to the voluntary continuation of the Plan and would be adverse to the participants in the aggregate. However, because the prospects for recovery are uncertain we are granting the extension subject to the conditions listed below:

(1) For each plan year that the extension remains in effect, starting with the plan year beginning January 1, , a credit balance is maintained in the funding standard account that is at least as large as the "pseudo credit balance." For this purpose, the "pseudo-credit balance" means a hypothetical credit balance developed by determining the reduction in the net amortization charge for the extended base each year that is solely due to the difference between the valuation interest rate and the interest rate under section 6621(b) of the Code, and amortizing each such reduction over a period of 15 years using the valuation interest rate. The resulting amortization amounts are accumulated with interest at the valuation interest rate to derive the "pseudo credit balance" at each valuation date.

(2) The Plan's funded ratio, calculated by dividing the Plan's market value of assets by its actuarial accrued liability (computed using the unit credit method and the Plan assumptions as of January 1, ) is:

(a) no less than 54% for each valuation date from January 1, , through January 1, , inclusive;

(b) for each valuation date subsequent to January 1, , and, for each plan year the extension remains in effect, no less than 1% greater than the required funded ratio as of the previous valuation date. (For example, because the required funded ratio as of January 1, ), is 54%, the funded ratio must be at least 55% as of January 1, , and 56% as of January 1, , regardless of whether the actual funding ratio in any prior year is higher than the required rate for that year); and

(3) For each plan year that the extension remains in effect, starting with the plan year beginning January 1, , a copy of the actuarial valuation report (including the development of the "pseudo credit balance" required at the end of the plan year and the calculation of the Plan's funding status as described in paragraph (2) above) and the Schedule B (Form 5500) for each plan year are provided to the Internal Revenue Service (Service) by September 30 of the calendar year following the end of the plan year to the address listed below:

You accepted these conditions in a letter dated July 30, 2007. If any one of these conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities would be retroactively null and void. However, the Service will consider modifications of these conditions especially in the event that unforeseen circumstances beyond the control of the Plan may cause the actual experience of the Plan to fail the funded ratio condition. An example of such an unforeseen circumstance would be market fluctuations which affect the value of the Plan's assets. Of course, any request for a modification would be considered another ruling request and would be subject to an additional user fee.

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 the amortization extension remains in place. Please note that any amendment that increases liabilities for a profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, 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 (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, 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.

We have sent a copy of this letter to the to the Manager, 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,

James E. Holland, Jr.

James E. Holland, Jr., Manager
Employee Plans Technical