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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

JUL 11 2008

T. EP:RA:AZ

Re:

Dear

This letter is to inform you that your request for a ten year extension of the period of years 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") effective with the plan year beginning October 1, has been denied.

Section 412(e) of the Code and section 302(b)(2) of ERISA provide that the period of years required to amortize any unfunded liability (described in any clause of section 412(b)(2)(B) of the Code and section 302(b)(2) of ERISA) of any plan may be extended by the Secretary of Labor for a period of time (not in excess of 10 years) if it is determined that such an extension would carry out the purposes of ERISA, and would provide adequate protection for participants under the plan and their beneficiaries and if it is determined that: (1) the failure to permit such extension would 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 interest of plan participants in the aggregate.

Reorganization Plan No. 4 (1979-1 C.B. 480), effective December 31, 1978, transferred the authority of the Secretary of Labor under section 412(e) of the Code and section 304(a) of ERISA to the Secretary of Treasury.

The Plan is a multiemployer defined benefit plan. The Plan's funded status has substantially deteriorated in recent years, primarily as a result of the deregulation of the freight trucking industry in the Motor Carrier Act in combination with a decline equity market.

Historically, the freight industry was the dominate industry contributing to the Plan. The deregulation of this industry has, over time, led to a significant decrease in the number of unionized companies contributing to the Plan. In addition, most of the departing

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companies' unfunded liability has remained with the Plan due to the difficulty in collecting withdrawal liability from companies which left through bankruptcy liquidation. The remaining unionized freight companies face stiff non-union competition which limits their ability to increase contributions to make up for funding shortfalls.

The other industry containing employers contributing to the Plan is the retail food industry, which is notorious for working on very thin margins. In general, this industry remains under pressure from non-unionized competitors. This has limited the unionized retail food companies' ability to increase contributions to make up for funding shortfalls, similar to the freight industry.

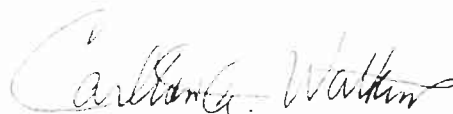
The information provided with your request included projections that reflected the changes made to the minimum funding requirements under the Pension Protection Act of 2006 ("PPA"). These projections indicated the likelihood of a funding deficiency on the near horizon; however, with a 10 year extension of amortization bases the Plan will not experience a funding deficiency but instead have a credit balance nearly 15 times as large as it would be without 412(e) relief. Beginning October 1, 2008, the Plan is eligible for the automatic 5 year extension of amortization bases under section 431(d)(1) of the Code. Further, pursuant to proposed guidance issued on March 18, 2008, the Plan's initial PPA classification will be "critical" whether or not relief under 412(e) is granted. Given the availability of the automatic 5 year extension and the relative magnitude of the credit balance that would result with the requested 10 year extension, an extension under 412(e) will not carry out the purposes of ERISA. Furthermore, failure to grant an extension will not 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) will not be adverse to the interest of plan participants in the aggregate.

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 _____ 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,



Carlton A. Watkins, Acting Manger
Employee Plans Technical