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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

AUG 28 2008

Re:

Company =

Authority =

State =

City =

Public Service =

Weather Event =

Dear

This letter constitutes notice that the Company's request for a waiver of the minimum funding standard for the Plan for the plan year ending December 31, , has been granted subject to the following conditions:

(1) on or before September 15, 2008, the Company makes a contribution to the Plan in an amount necessary to (a) satisfy the minimum funding standard for the Plan for the plan year ending December 31, , and (b) maintain a credit balance equal to the outstanding balance of the amortization base with respect to the waived amount that is established and maintained under section 412(b)(2) of the Internal Revenue Code ("Code"), as in effect prior to the Pension Protection Act of 2006 ("PPA");

(2) starting with the quarterly contribution due on October 15, 2008, the Company will make all quarterly contributions to the Plan required under section 412(m) or 430(j)(3) of the Code, as applicable, in a timely fashion for each plan year through the plan year ending December 31, ;

(3) the Company makes contributions to the Plan in amounts sufficient to (a) meet the minimum funding standard for each plan year ending December 31, , through , by September 15 of the following year (without applying for a waiver of the minimum funding standard) and (b) meet conditions (4) and (5) below;

(4) if the Service determines that funding waivers granted with respect to plan years beginning before the first plan year beginning on or after January 1, 2008 (i.e., January 1, 2008, for the Plan), are carried over as a separate amortization base for post- plan years, credit balances are maintained in the funding standard account of the Plan that are not less than the outstanding balances of the amortization base with respect to the waived amount that is established and maintained under section 412(b)(2) of the Code, as in effect prior to the PPA, for each of the plan years ending December 31, , through ; and

(5) if the Service determines that funding waivers granted with respect to plan years beginning before the first plan year beginning on or after January 1, 2008 (i.e., January 1, 2008, for the Plan), are not carried over as a separate amortization base for post- plan years, the credit balance that exists in the Plan as of January 1, 2008, is reduced in accordance with PPA.

Your authorized representative agreed to these conditions in a letter dated July 18, 2008. If any one of these conditions is not met, the funding waiver for the plan year ending December 31, , is retroactively null and void.

This conditional waiver has been granted in accordance with section 412(d) of the Code and section 303 of Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which this conditional waiver has been granted is equal to the contributions that would otherwise be required to reduce the balance in the funding standard account to zero as of December 31, .

The Authority is an independent political subdivision of the State created to provide mass transportation within its jurisdiction, which comprises the greater area of the City. The Company is a State corporation. The Company conducts substantially all of the Authority's transit and related operations. The labor, fringe benefits, and other similar costs incurred by the Company and reported on the Company's statement of income and expense is reimbursed by the Authority pursuant to the management contract between the Authority and the Company.

The effects of the Weather Event had a devastating effect on the Company and, in turn, the Plan. Contribution income for the Company is derived from sales tax and bus fares in the City. The destruction of the City's transportation and housing infrastructure has left the City, and the State for that matter, in a desperate financial condition, from which the City and State are only now recovering.

As a result of the Weather Event, the Company had to temporarily move its base of operations to another city within the State. While the long-term prospects for recovery for the Company are good because the bus system will be an enduring entity in the City, the Company is faced with reduced income in the interim as the City continues to rebuild and the displaced population returns.

It is clear from our analysis of the information submitted with the request that the Company has suffered a substantial business hardship. The effects of the Weather Event on the City are well known. It also appears that the business hardship is temporary. According to information provided by the Plan's actuary, the Company is current on all quarterly contributions to the Plan, and the Company expects to make future required quarterly contributions on a timely basis. Furthermore, the Plan is funded on a current basis even if the funding waiver is not granted.

It is clear from the recent contribution history of the Plan that the Company's financial hardship was temporary and a result of the Weather Event. However, the funding waiver is still necessary so that the Company will not be subject to excise taxes under section 4971(a) of the Code for accumulated funding deficiencies that would arise in the Plan for the plan years ending December 31, , and , if the funding waiver is not granted. These excise taxes would amount to over $ , not including interest and penalties.

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 the 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 the 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.

We have sent a copy of this letter to the Manager, to the Manager, , and to your authorized representative pursuant to a power of attorney on file in this office. We suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

If you require further assistance in this matter, please contact

Sincerely yours,

Andrew E. Zuckerman, Director
Employee Plans Rulings & Agreements