

March 21, 1996. In the request, the Buyer represents among other things that:

1. The Seller was obligated to contribute to the Major League Baseball Players Benefit Plan (the "Plan") for certain employees of the sold operations.
2. The Buyer is a Missouri limited partnership.
3. The Buyer has agreed to assume the obligation to contribute to the Plan for substantially the same number of contribution base units as the seller.
4. The Seller has agreed to be secondarily liable for any withdrawal liability it would have had with respect to the sold operations (if not for section 4204) should the Buyer withdraw from the Plan within the five plan years following the sale and fail to pay its withdrawal liability.
5. The estimated amount of the unfunded vested benefits allocable to the Seller with respect to the operations subject to the sale is \$7,340,095.
6. The amount of the bond/escrow required under section 4204(a)(1)(B) is approximately \$873,000.
7. The transaction had to be approved by Major League Baseball which required that the debt-equity ratio of the Buyer be no more than 60 percent. The Buyer submitted a financial statement that shows that its net tangible assets exceed the unfunded vested benefits allocable to the Seller with respect to the purchased operations. The Buyer has requested confidential treatment of its financial statements on the ground that they are confidential within the meaning of 5 U.S.C. section 552.
8. A copy of the request, excluding the financial statement of the Buyer, was sent to the Fund and to the collective bargaining representative of the Seller's employees.

Comments

All interested persons are invited to submit written comments on the pending exemption request to the above address. All comments will be made a part of the record. Comments received, as well as the relevant non-confidential information submitted in support of the request, will be available for public inspection at the address set forth above.

Issued at Washington, D.C., on this 16th day of July, 1996.
Martin Slate,
Executive Director.
[FR Doc. 96-18652 Filed 7-23-96; 8:45 am]
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Pendency of Request For Exemption From the Bond/Escrow Requirement Relating to the Sale of Assets by An Employer Who Contributes to a Multiemployer Plan; Tuscan Dairy Farms, Inc.

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of pendency of request.

SUMMARY: This notice advises interested persons that the Pension Benefit Guaranty Corporation has received a request from Tuscan Dairy Farms, Inc. ("Tuscan") for an exemption from the bond/escrow requirement of section 4204(a)(1)(B) of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Local 584 Pension Trust Fund, in connection with Tuscan's purchase of certain assets from American Farms, Inc., Progressive Milk Co., Ltd. and 339 Milk, Inc. Section 4204(a)(1) provides that the sale of assets by an employer that contributes to a multiemployer pension plan will not result in a complete or partial withdrawal from the plan if certain conditions are met. One of these conditions is that the purchaser post a bond or deposit money in escrow for the five-plan-year period beginning after the sale. The PBGC is authorized to grant individual and class exemptions from this requirement. Before granting an exemption the PBGC is required to give interested persons an opportunity to comment on the exemption request. The purpose of this notice is to advise interested persons of the exemption request and solicit their views on it.

DATES: Comments must be submitted on or before September 9, 1996.

ADDRESSES: All written comments (at least three copies) should be addressed to: Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street, N.W., Washington, D.C. 20005-4026, or hand-delivered to Suite 340 at the above address between 9:00 a.m. and 4:00 p.m., Monday through Friday. The non-confidential portions of the request for an exemption and the comments received will be available for public inspection at the PBGC Communications and Public Affairs Department, Suite 240, at the above address, between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Karen L. Morris, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, N.W., Washington, D.C. 20005-4026; telephone 202-326-4127 (202-326-4179 for TTY and TDD). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION:

Background

Section 4204 of the Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act of 1980 ("ERISA" or the "Act"), provides that a bona fide arm's-length sale of assets of a contributing employer to an unrelated party will not be considered a withdrawal if three conditions are met. These conditions, enumerated in section 4204(a)(1) (A)-(C), are that—

(A) the purchaser has an obligation to contribute to the plan with respect to the operations for substantially the same number of contribution base units for which the seller was obligated to contribute;

(B) the purchaser obtains a bond or places an amount in escrow, for a period of five plan years after the sale, in an amount equal to the greater of the seller's average required annual contribution to the plan for the three plan years preceding the year in which the sale occurred or the seller's required annual contribution for the plan year preceding the year in which the sale occurred (the amount of the bond or escrow is doubled if the plan is in reorganization in the year in which the sale occurred); and

(C) the contract of sale provides that if the purchaser withdraws from the plan within the first five plan years beginning after the sale and fails to pay any of its liability to the plan, the seller shall be secondarily liable for the liability it (the seller) would have had but for section 4204.

The bond or escrow described above would be paid to the plan if the purchaser withdraws from the plan or fails to make any required contributions to the plan within the first five plan years beginning after the sale.

Additionally, section 4204(b)(1) provides that if a sale of assets is covered by section 4204, the purchaser assumes by operation of law the contribution record of the seller for the plan year in which the sale occurred and the preceding four plan years.

Section 4204(c) of ERISA authorizes the Pension Benefit Guaranty Corporation ("PBGC") to grant individual or class variances or exemptions from the purchaser's bond/escrow requirement of section 4204(a)(1)(B) when warranted. The legislative history of section 4204 indicates a Congressional intent that the sales rules be administered in a manner that assures protection of the plan with the least practicable intrusion into normal business transactions. Senate Committee on Labor and Human

Resources, 96th Cong., 2nd Sess., S.1076, The Multiemployer Pension Plan Amendments Act of 1980: Summary and Analysis of Considerations 16 (Comm. Print, April 1980); 128 Cong. Rec. S10117 (July 29, 1980). The granting of an exemption or variance from the bond/escrow requirement does not constitute a finding by the PBGC that a particular transaction satisfies the other requirements of section 4204(a)(1). Such questions are to be decided by the plan sponsor in the first instance, and any disputes are to be resolved in arbitration. 29 U.S.C. Sections 1382, 1399, 1401.

Under the PBGC's regulation on variances for sales of assets (29 CFR Part 2643), a request for a variance or waiver of the bond/escrow requirement under any of the tests established in the regulation (29 CFR 2643.12-2643.14) is to be made to the plan in question. The PBGC will consider waiver requests only when the request is not based on satisfaction of one of the four regulatory tests or when the parties assert that the financial information necessary to show satisfaction of one of the regulatory tests is privileged or confidential financial information within the meaning of 5 U.S.C. section 552(b)(4) of the Freedom of Information Act.

Under section 2643.3 of the regulation, the PBGC shall approve a request for a variance or exemption if it determines that approval of the request is warranted, in that it—

- (1) would more effectively or equitably carry out the purposes of Title IV of the Act; and
- (2) would not significantly increase the risk of financial loss to the plan.

Section 4204(c) of ERISA and section 2643.3(b) of the regulation require the PBGC to publish a notice of the pendency of a request for a variance or exemption in the Federal Register, and to provide interested parties with an opportunity to comment on the proposed variance or exemption.

The Request

The PBGC has received a request from Tuscan Dairy Farms, Inc. (the "Purchaser"), for an exemption from the bond/escrow requirement of section 4204(a)(1)(B) with respect to its purchase of certain assets of American Farms, Inc., Progressive Milk Co., Ltd., and 339 Milk, Inc. (the "Sellers"). In support of the request, the Purchaser represents among other things that:

1. On August 18, 1995, the Purchaser acquired certain assets of the Sellers.
2. The Sellers were obligated to contribute to the Local 584 Pension Trust Fund (the "Plan") for certain

employees at operations subject to the sale.

3. The Purchaser is required to contribute to the Plan for substantially the same number of contribution base units with respect to employees of the Sellers who work at operations subject to the sale.

4. The Sellers have agreed to be secondarily liable for any withdrawal liability they would have had with respect to the sold operations (if not for section 4204) should the Purchaser withdraw from the Plan within the five plan years following the sale and fail to pay its withdrawal liability.

5. The Purchaser has agreed to provide a bond to the Fund in compliance with 4204(a)(1)(B), while reserving the right to seek a variance.

6. The estimated amount of the unfunded vested benefits allocable to the Sellers with respect to the operations subject to the sale is \$177,657. The Purchaser does not have an estimate of the unfunded vested benefits allocable to it for its other operations covered under the Plan.

7. The amount of the bond/escrow that would be required under section 4204(a)(1)(B) of ERISA is approximately \$123,905.

8. The Purchaser submitted a financial statement showing the amount of its net tangible assets. The Purchaser asserted that even though it does not have an estimate of the unfunded vested benefits allocable to its other operations, even if the total unfunded vested benefits of the Fund were allocated to those other operations, Purchaser's net tangible assets exceed the sum of the unfunded vested benefits allocable to the Sellers and the maximum amount that could be allocable to its other operations. The Purchaser has requested confidential treatment of its financial statements on the ground that they are confidential within the meaning of 5 U.S.C. section 552.

9. The Purchaser has sent by certified mail, return receipt requested, a complete copy of the request, excluding the agreements between the Seller and Purchaser, certain exhibits, financial statements of the Purchaser, and certain financial data recited in the request, to the Plan, counsel to the Plan, and to the collective bargaining representative of the Sellers' employees.

Comments

All interested persons are invited to submit written comments on the pending exemption request to the above address. All comments will be made a part of the record. Comments received, as well as the relevant non-confidential information submitted in support of the

request, will be available for public inspection at the address set forth above.

Issued at Washington, D.C., on this 16th day of July, 1996.

Martin Slate,

Executive Director.

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POSTAL SERVICE

Board of Governors; Sunshine Act Meeting

The Board of Governors of the United States Postal Service, pursuant to its Bylaws (39 CFR Section 7.5) and the Government in the Sunshine Act (5 U.S.C. Section 552b), hereby gives notice that it intends to hold a meeting at 1:00 p.m. on Monday, August 5, 1996, and at 9:00 a.m. on Tuesday, August 6, 1996, in Detroit, Michigan.

The August 5 meeting is closed to the public (see 61 FR 36586, July 11, 1996). The August 6 meeting is open to the public and will be held at the Marriott Dearborn Inn, 20301 Oakwood Boulevard, Dearborn, in Salon 3. The Board expects to discuss the matters stated in the agenda which is set forth below. Requests for information about the meeting should be addressed to the Secretary of the Board, Thomas J. Koerber, at (202) 268-4800.

Agenda

Monday Session

August 5—1:00 p.m. (Closed)

1. Consideration of the Postal Rate Commission Opinion and Recommended Decision in Docket No. MC96-2, Preferred Rates Classification Reform II. (John H. Ward, Vice President, Marketing Systems).

Tuesday Session

August 6—9:00 a.m. (Open)

1. Minutes of the Previous Meeting, July 1-2, 1996.
2. Remarks of the Postmaster General/Chief Executive Officer. (Marvin Runyon)
3. Capital Investments.
 - a. Kansas City Philatelic Fulfillment Service Center. (Loren E. Smith, Chief Marketing Officer)
 - b. Robotics Tray Handling, Phase I. (William J. Dowling, Vice President, Engineering)
4. Quarterly Report on Service Performance. (Yvonne D. Maguire, Vice President and Consumer Advocate)
5. Quarterly Report on Financial Performance. (Michael J. Riley, Chief Financial Officer)
6. Report on Great Lakes Area Operations. (J.T. Weeker, Vice President, Great Lakes Area)