PENSION BENEFIT GUARANTY CORPORATION

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: Ricketts Acquisition LLC and the Chicago National League Ball Club, LLC

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of pendency of request.

SUMMARY: This notice advises interested persons that the Pension Benefit Guaranty Corporation (“PBGC”) has received a request from Ricketts Acquisition LLC for an exemption from the bond/escrow requirement of section 4204(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Major League Baseball Players Benefit Plan. Section 4204(a)(1) provides that the sale of assets by an employer that contributes to a multiemployer pension plan will not constitute a complete or partial withdrawal from the plan if the transaction meets certain conditions. 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. PBGC is authorized to grant individual and class exemptions from this requirement. Before granting an exemption, the statute and PBGC regulations require PBGC 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 October 18, 2010.

ADDRESSES: Comments may be submitted by any one of the following methods:

• E-mail: reg.comments@pbgc.gov.
• Fax: 202–326–4224.
• Mail or Hand Delivery: Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026.

Comments received, including personal information provided, will be posted to http://www.pbgc.gov. Copies of comments may also be obtained by writing to Disclosure Division, Office of General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026, or calling 202–326–4040 during normal business hours. (TTY and TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4040.)


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 covered 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, 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 following the sale, the seller shall be secondarily liable for the liability it (the seller) would have had but for the relief afforded under 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.

Members of the public who have not registered may also have an opportunity to speak, if time permits. Ms. Sutton can determine whether the request can be accommodated.

ADDITIONAL INFORMATION:

FOR FURTHER INFORMATION CONTACT: Ms. Mallecia Sutton, Division of Site and Environmental Reviews, Office of New Reactors, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, by fax to RAD at (301) 492–3446. Ms. Sutton may be contacted at 877–8339 and ask to be connected to 202–326–4040.
Section 4204(c) of ERISA authorizes the 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 statute be administered in a manner that assures protection of the plan with the least intrusion into normal business transactions practicable. 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 a variance or exemption from the bond/escrow requirement does not constitute a finding by PBGC that a particular transaction satisfies the other requirements of section 4204(a)(1).

Under PBGC’s regulation on variances for sales of assets (29 CFR part 4204), a request for a variance or exemption from the bond/escrow requirement under any of the tests established in the regulation (§§ 4204.12 and 4204.13) is to be made to the plan in question. PBGC will consider variance or exemption requests only when the request is not based on satisfaction of one of the four regulatory tests under regulation §§ 4204.12 and 4204.13, 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. 552(b)(4) (Freedom of Information Act). See 29 CFR 4204.21.

Under § 4204.22 of the regulation, 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 § 4204.22(b) of the regulation requires 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
PBGC has received a request, dated November 25, 2009, from Ricketts Acquisition LLC (the “Purchaser”) for an exemption from the bond/escrow requirement of section 4204(a)(1)(B) with respect to its purchase of the Chicago National League Ball Club, LLC (the “Seller”). In the request, the Purchaser 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 purchased operations.
2. The Purchaser has agreed to assume the obligation to contribute to the Plan for substantially the same number of contribution base units as the Seller.
3. The Seller has agreed to be secondarily liable for any withdrawal liability it would have had with respect to the purchased operations (if not for section 4204) should the Purchaser withdraw from the Plan and fail to pay its withdrawal liability.
4. The estimated amount of the withdrawal liability of the Seller with respect to the operations subject to the sale is $34,030,359.
5. The amount of the bond/escrow established under section 4204(a)(1)(B) is $4,068,868, which is to be posted if PBGC has not acted on the request by the end of the plan year of the request.
6. The Major League Baseball Clubs (the “Clubs”) have established the Major League Central Fund (the “Central Fund”) pursuant to the Major League Baseball Constitution. Under this Constitution, the Office of the Commissioner of Baseball pays contributions to the Plan from the Central Fund on behalf of each participating employer in satisfaction of the employer’s pension liability under the Plan’s funding agreement. The monies in the Central Fund are derived directly from (i) gate receipts from All-Star games; (ii) radio and television revenue from World Series, League Championship Series, Division Series, All-Star Games, and (iii) certain other radio and television revenue, including revenues from foreign broadcasts, regular, spring training, and exhibition games (“Revenues”).
7. In support of the exemption request, the Purchaser asserts that “[t]he Plan is funded directly from Revenues which are paid from the Central Fund directly to the Plan without passing through the hands of any of the Clubs. Therefore, the Plan enjoys a substantial degree of security with respect to contributions on behalf of the Clubs. A change in ownership of a particular Club does not affect the obligation of the Central Fund to fund the Plan out of the Revenues. As such, approval of this exemption request would not increase the risk of financial loss to the Plan.”
8. A complete copy of the request was sent to the Plan and to the Major League Baseball Players Association by certified mail, return receipt requested.

Issued at Washington, DC, August 27, 2010.

Joshua Gotbaum, Director.

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POSTAL REGULATORY COMMISSION
[Docket No. A2010–5; Order No. 526]

Post Office Closing

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: This document informs the public that an appeal of the closing of the Rentiesville Post Office, Rentiesville, Oklahoma 74459 has been filed. It identifies preliminary steps and provides a procedural schedule. Publication of this document will allow the Postal Service, petitioner, and others to take appropriate action.

DATES: Deadline for filing administrative record: September 9, 2010. For other dates, see Procedural Schedule.

ADDRESSES: Submit filings electronically via the Commission’s Filing Online system at http://www.prc.gov. Those who cannot file electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on alternatives to electronic filing.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, stephen.sharfman@prc.gov or 202–789–6820.

SUPPLEMENTARY INFORMATION: Notice is hereby given that pursuant to 39 U.S.C. 404(d), the Commission has received an appeal of the closing of the Rentiesville Post Office, Rentiesville, Oklahoma 74459. The appeal, postmarked August 23, 2010, was received by the Commission on August 25, 2010. The Commission hereby institutes a proceeding under 39 U.S.C. 404(5) and designates the case as Docket No. A2010–5 to consider the petitioner’s appeal. If the petitioner would like to further explain her position with supplemental information or facts, she may either file a Participant Statement on PRC Form 61 or file a brief with the Commission by no later than September 29, 2010.

Categories of issues apparently raised.
The categories of issues that appear to be raised include: Effect on the community. See 39 U.S.C. 404(d)(2)(A)(i).

After the Postal Service files the administrative record and the Commission reviews it, the Commission may find that there are more legal issues