

contribution base, withdrawal liability would be imposed pursuant to the special liability rules previously approved by the PBGC. Because of the local nature of the work and the requirement that contributions be made to the Plan for all longshore work done on the West Coast, the comings and goings of employers do not have an adverse effect on the Plan's contribution base, which is dependent upon the vitality of the West Coast shipping industry as a whole. Thus, the covered industry evidences characteristics that indicate that cessations by employers do not have a weakening effect on the Plan's contribution base.

The Plan further contends that past experience and reasonable future projections show that the relaxation of the current rule will not pose an unacceptable risk of loss to PBGC or participants.

The Plan's funded status has improved dramatically since 1984, underscoring the ability of the industry to fund the Plan * * *. And, even though the Plan's funded status will decline for a time once the amendment fully takes effect, the Plan and the covered industry have unique characteristics that suggest that the Plan's contribution base is likely to remain stable * * * [Actuarial projections show that] the Plan's funding policy will return the Plan to 85% funding in a little over ten (10) years * * *. The Plan's continuation is dependent only on the continued activity in the West Coast shipping industry as a whole. Consequently, the Plan's contribution base is secure and the departure of one employer from the Plan is highly unlikely to have an adverse effect on the contribution base so long as the level of shipping does not decline.

Comments

All interested persons are invited to submit written comments concerning the pending request to PBGC at the above address, on or before July 28, 2003. All comments will be made a part of the record. The PBGC will make the comments received available on its Web site, <http://www.pbgc.gov>. Copies of the comments and the pending request may be obtained by writing the PBGC's Communications and Public Affairs Department (CPAD) at Suite 240 at the above address or by visiting or calling CPAD during normal business hours (202-325-4040).

Issued in Washington, DC, on this 10th day of June 2003.

Steven A. Kandarian,
Executive Director, Pension Benefit Guaranty Corporation.

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PENSION BENEFIT GUARANTY CORPORATION

Required Interest Rate Assumption for Determining Variable-Rate Premium; Interest Assumptions for Multiemployer Plan Valuations Following Mass Withdrawal

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of interest rates and assumptions.

SUMMARY: This notice informs the public of the interest rates and assumptions to be used under certain Pension Benefit Guaranty Corporation regulations. These rates and assumptions are published elsewhere (or can be derived from rates published elsewhere), but are collected and published in this notice for the convenience of the public. Interest rates are also published on the PBGC's Web site (<http://www.pbgc.gov>).

DATES: The required interest rate for determining the variable-rate premium under part 4006 applies to premium payment years beginning in June 2003. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in July 2003.

FOR FURTHER INFORMATION CONTACT: Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

SUPPLEMENTARY INFORMATION:

Variable-Rate Premiums

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security Act of 1974 (ERISA) and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribe use of an assumed interest rate (the "required interest rate") in determining a single-employer plan's variable-rate premium. The required interest rate is the "applicable percentage" (currently 100 percent) of the annual yield on 30-year Treasury securities for the month preceding the beginning of the plan year for which premiums are being paid (the

"premium payment year"). (Although the Treasury Department has ceased issuing 30-year securities, the Internal Revenue Service announces a surrogate yield figure each month—based on the 30-year Treasury bond maturing in February 2031—which the PBGC uses to determine the required interest rate.)

The required interest rate to be used in determining variable-rate premiums for premium payment years beginning in June 2003 is 4.53 percent.

The following table lists the required interest rates to be used in determining variable-rate premiums for premium payment years beginning between July 2002 and June 2003.

For premium payment years beginning in—	The required interest rate is—
July 2002	5.52
August 2002	5.39
September 2002	5.08
October 2002	4.76
November 2002	4.93
December 2002	4.96
January 2003	4.92
February 2003	4.94
March 2003	4.81
April 2003	4.80
May 2003	4.90
June 2003	4.53

Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in July 2003 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 9th day of June, 2003.

Joseph H. Grant,
Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation.

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