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Person to Contact:

Telephone Number:

Refer Reply To:

CC:DOM:CORP:Br4 PLR-104458-00

Date:

June 14, 2000

Date X =

Date Y =

This letter responds to your February 21, 2000 request for a supplement to our prior letter ruling dated June 22, 1999 (the "Prior Letter Ruling"). The legend abbreviations, Summary of Facts, Proposed Transaction, Representations, and Caveats appearing in the Prior Letter Ruling are incorporated by reference into this letter.

After the Prior Letter Ruling was issued, the Proposed Transaction was completed. The Contribution was made on Date X, and the Distributions and Acquisition occurred on Date Y. In the Acquisition, Controlled acquired Target in a transaction intended to qualify as a reorganization under §§ 368(a)(1)(A) and (a)(2)(E) of the Internal Revenue Code.

During the planning stage of the Acquisition, Controlled and Target were advised by legal counsel that they should operate as separate affiliated entities to avoid possible violation of certain supply contracts. The contracts have since either expired or been renegotiated to avoid this problem should Controlled and Target be combined into a single entity. Furthermore, from both operational and administrative perspectives, Controlled and Target believe that operating as a single entity, rather than as separate entities, will be simpler, more practical, and less expensive.

For these reasons, Controlled now proposes to merge downstream into Target in a transaction intended to qualify as a reorganization under § 368(a) (the "Proposed Restructuring") with the Controlled shareholders exchanging their Controlled Voting Common and Controlled Nonvoting Common solely for voting common and nonvoting common stock of Target.

Based on the information set forth above, we rule that the Proposed

Restructuring will not adversely effect the rulings contained in the Prior Ruling Letter, and those rulings will retain full force and effect.

We express no opinion on whether the Proposed Restructuring and the Acquisition should be respected as separate transactions, or whether they should be recast as if Controlled had merged directly into Target after the Distributions. If respected as separate transactions, we express no opinion on whether the Proposed Restructuring will qualify as a reorganization under § 368(a), and whether the Acquisition qualified as a reorganization under §§ 368(a)(1)(A) and (a)(2)(E). If recast, we express no opinion on whether the recast will qualify as a reorganization under § 368(a).

This supplemental letter is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it cannot be used or cited as precedent.

A copy of this supplemental letter and the Prior Letter Ruling should be attached to the federal income tax return of each taxpayer involved for the taxable year in which the Proposed Restructuring is completed.

Pursuant to a power of attorney on file in this office, a copy of this letter is being sent to the taxpayer.

Sincerely,

Assistant Chief Counsel (Corporate)

By: _____
Wayne T. Murray
Senior Technician/Reviewer
Branch 4