

DEPARTMENT OF LABOR**Employee Benefits Security Administration**

[Application No. D-11170, et al.]

Proposed Exemptions; Liberty Media 401(k) Savings Plan (the Plan)**AGENCY:** Employee Benefits Security Administration, Labor.**ACTION:** Notice of Proposed Exemptions.

SUMMARY: This document contains notices of pendency before the Department of Labor (the Department) of proposed exemptions from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and/or the Internal Revenue Code of 1986 (the Code).

Written Comments and Hearing Requests

All interested persons are invited to submit written comments or requests for a hearing on the pending exemptions, unless otherwise stated in the Notice of Proposed Exemption, within 45 days from the date of publication of this **Federal Register** Notice. Comments and requests for a hearing should state: (1) The name, address, and telephone number of the person making the comment or request, and (2) the nature of the person's interest in the exemption and the manner in which the person would be adversely affected by the exemption. A request for a hearing must also state the issues to be addressed and include a general description of the evidence to be presented at the hearing.

ADDRESSES: All written comments and requests for a hearing (at least three copies) should be sent to the Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, Room N-5649, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210. Attention: Application No. _____, stated in each Notice of Proposed Exemption. Interested persons are also invited to submit comments and/or hearing requests to EBSA via e-mail or FAX. Any such comments or requests should be sent either by e-mail to: "moffitt.betty@dol.gov", or by FAX to (202) 219-0204 by the end of the scheduled comment period. The applications for exemption and the comments received will be available for public inspection in the Public Documents Room of the Employee Benefits Security Administration, U.S. Department of Labor, Room N-1513, 200 Constitution Avenue, NW., Washington, DC 20210.

Notice to Interested Persons

Notice of the proposed exemptions will be provided to all interested persons in the manner agreed upon by the applicant and the Department within 15 days of the date of publication in the **Federal Register**. Such notice shall include a copy of the notice of proposed exemption as published in the **Federal Register** and shall inform interested persons of their right to comment and to request a hearing (where appropriate).

SUPPLEMENTARY INFORMATION: The proposed exemptions were requested in applications filed pursuant to section 408(a) of the Act and/or section 4975(c)(2) of the Code, and in accordance with procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, 32847, August 10, 1990). Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested to the Secretary of Labor. Therefore, these notices of proposed exemption are issued solely by the Department.

The applications contain representations with regard to the proposed exemptions which are summarized below. Interested persons are referred to the applications on file with the Department for a complete statement of the facts and representations. Liberty Media 401(k) Savings Plan (the Plan)
Located in Englewood, Colorado
[Application No. D-11170].

Proposed Exemption

The Department is considering granting an exemption under the authority of section 408(a) of the Act and section 4975(c)(2) of the Code and in accordance with the procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, August 10, 1990). If the exemption is granted, the restrictions of sections 406(a), 406(b)(1) and (b)(2) and 407(a) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code, shall not apply, effective November 25, 2002, to (1) The acquisition of certain stock rights (the Rights) by the Plan in connection with a Rights offering by Liberty Media Corporation (LMC), a party in interest with respect to the Plan; (2) the holding of the Rights by the Plan during the subscription period of the offering; and (3) the exercise of the Rights by the Plan, provided that the following conditions were met:

(a) The Rights were acquired pursuant to Plan provisions for individually-directed investment of such accounts;

(b) The Plan's receipt of the Rights occurred in connection with the Rights offering made available to all shareholders of common stock of LMC;

(c) All decisions regarding the holding and disposition of the Rights by the Plan were made, in accordance with the Plan provisions for individually-directed investment of participant accounts, by the individual Plan participants whose accounts in the Plan received the Rights in connection with the offering;

(d) The Plan's acquisition of the Rights resulted from an independent act of LMC as a corporate entity, and all holders of the Rights, including the Plan, were treated in the same manner with respect to the acquisition; and

(e) The Plan received the same proportionate number of the Rights as other owners of Liberty Media Series A and Series B common stock (the Stock).

This exemption, if granted, will be effective as of November 25, 2002.

Summary of Facts and Representations

1. The Plan is a defined contribution plan that is intended to satisfy the requirements of Code Sections 401(a) and 401(k). As of December 31, 2001, the Plan had approximately 3,466 participants and total assets of \$104,044,000. The shares of LMC common stock held by the Plan were valued at \$46,265,000 as of December 31, 2001, and comprised approximately 44.8% percent of the total assets in the Plan.

The Plan permits participants to contribute a portion of their respective annual compensation to the Plan as a salary reduction contribution under Code Section 401(k). LMC makes a matching contribution to the Plan, which differs for different groups of employees. Participant salary reduction contributions are immediately 100% vested. The matching contributions are vested according to a schedule based on the years of service each participant has completed. The stock received from exercising the Rights will be vested according to the Plan vesting schedule.

2. The trustee of the Plan is Fidelity Management Trust Company (the Trustee). The Trustee acts as the custodian of Plan assets, holding legal title to the assets, and executing investment directions in accordance with the participants' written instructions. The Plan Administrative Committee is the fiduciary responsible for Plan matters. The Plan allows participants to direct investments of their 401(k) contributions into one of 18 investment categories, including the