

Notice to Interested Persons

It is represented that those persons who may be interested in the publication in the **Federal Register** of the Notice of Proposed Exemption (the Notice) include all ERISA-Covered Plans currently participating in any Farmland Separate Account and those ERISA-Covered Plans participating in any Holding Entity whose assets are managed by JHLIC or HNRG.

JHLIC proposes to provide notification of the publication of the Notice to the plan trustee or other fiduciary of all ERISA-Covered Plans which currently participate in any Farmland Separate Account and/or in any Holding Entity whose assets are managed by JHLIC or HNRG by first class mail or overnight delivery within fifteen (15) calendar days of the date of publication of the Notice in the **Federal Register**. Such notification will contain a copy of the Notice, as it appears in the **Federal Register** on the date of publication, plus a copy of the supplemental statement (the Supplemental Statement), as required, pursuant to 29 CFR 2570.43(b)(2) of the Department's regulations. The Supplemental Statement will include a statement informing the plan trustee or fiduciary or other interested persons of their right, to comment and/or request a hearing on the proposed exemption.

The applicant also represents that for ERISA-Covered Plans who invest after the date of the publication of the Notice and before the publication in the **Federal Register** of the final exemption, if granted, JHLIC will provide a copy of the Notice and a copy of the Supplemental Statement via U.S. first class mail or hand delivery prior to such plan's initial investment in a Farmland Separate Account and/or Holding Entity. In addition, the applicant represents that a copy of the final exemption, if granted, will be provided by hand delivery or U.S. first class mail to the independent fiduciary of each ERISA-Covered Plan prior to any such plan's initial investment in a Farmland Separate Account.

Written comments and/or requests for a hearing on the proposed exemption must be received by the Department on or before 45 days from the date following publication of the Notice in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Ms. Angelena C. Le Blanc of the Department, telephone (202) 693-8540. (This is not a toll-free number.)

United States Steel and Carnegie Pension Fund (UCF or the Applicant), Located in New York, NY

[Application No. D-11191]

Proposed Exemption

Based on the facts and representations set forth in the application, the Department is considering granting an exemption under the authority of section 408(a) of the Act (or ERISA) 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, 32847, August 10, 1990).⁵

Section I. Covered Transactions

(A) If the exemption is granted, the restrictions of sections 406(a), 406(b)(1) and (b)(2) 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 to the in kind contribution of certain timber rights (the Timber Rights), under two timber purchase and cutting agreements (the Timber Rights Agreements) to The United States Steel Corporation Plan for Employee Pension Benefits (Revision of 2003) (the Plan) by the United Steel Corporation (US Steel), the Plan sponsor and a party in interest with respect to the Plan.

(B) If the exemption is granted, the restrictions of sections 406(a), 406(b)(1) and (b)(2) 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 to the following ancillary transactions between the Plan and U.S. Steel arising from certain rights retained by U.S. Steel related to the timberland (the Property) on which the Timber Rights are based:

(1) The receipt of compensation by the Plan from U.S. Steel under the Timber Rights Agreements in the event that either (a) U.S. Steel exercises its right to early termination of an Agreement, which requires a termination payment to the Plan at a premium over the fair market value of the Timber Rights as determined by a qualified, independent appraiser, which has been selected by the independent fiduciary (the Independent Fiduciary); or (b) U.S. Steel owes compensation to the Plan for mineral activities that interfere with the Plan's use of the land for timber purposes.

(2) The guarantee by U.S. Steel to make the Plan whole in the event of a

decline in value of the Timber Rights after five years.

(3) Any ongoing obligation incurred by U.S. Steel to maintain the Property in a fashion that does not unreasonably interfere with the Plan's use thereof.

(4) The indemnity given by U.S. Steel to the Plan for any environmental claims arising out of activities engaged in prior to the execution and closing of the proposed Timber Rights contribution.

Section II. General Conditions

This proposed exemption is conditioned upon adherence to the material facts and representations described herein and upon satisfaction of the following general conditions:

(a) A qualified independent fiduciary (the Independent Fiduciary) acting on behalf of the Plan, represents the Plan's interests for all purposes with respect to the Timber Rights contribution, and determines prior to entering into any of the transactions described herein, that each such transaction, including the Timber Rights contribution, is in the interest of the Plan.

(b) The Independent Fiduciary negotiates and approves the terms of any of the transactions between the Plan and U.S. Steel that relate to the Timber Rights.

(c) The Independent Fiduciary manages the holding, disposition, and assignment of the Timber Rights and takes whatever actions it deems necessary to protect the rights of the Plans with respect to the Timber Rights.

(d) The terms of any transactions between the Plan and U.S. Steel are no less favorable to the Plan than terms negotiated at arm's length under similar circumstances between unrelated third parties.

(e) The Independent Fiduciary determines the fair market value of the Timber Rights contributed to the Plan on the date of such contribution. In determining the fair market value of the Timber Rights Contribution, the Independent Fiduciary obtains an updated appraisal from a qualified, independent appraiser selected by the Independent Fiduciary, and ensures that the appraisal is consistent with sound principles of valuation.

(f) The fair market value of the Timber Rights does not exceed 5% of the Plan's total assets at the time of such contribution.

(g) The Plan pays no fees or commissions in connection with the Timber Rights contribution. (This condition does not preclude the Plan from paying the Independent Fiduciary's ongoing management fees once the contribution has been

⁵ For purposes of this proposed exemption, reference to Title I of the Act, unless otherwise specified, refer also to the corresponding provisions of the Code.