
Recession reports - Federal agency files objection to Crucible Steel plan

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It is reported that the federal agency charged with taking over terminated pension plans has filed an objection to a Crucible Materials Corporation plan to sell steel mills in Pittsburgh and Geddes.

The Pension Benefit Guaranty Corporation filed a limited objection in US Bankruptcy Court in Delaware. It asks the court to order that any bid for Crucible's assets be clear on whether it includes the new owner taking over the company's six pension plans and that it protect an agency lien against one of the company's subsidiaries.

PBGC said that crucible's six pension plans cover 3,662 employees and retirees, including about 875 current workers. The PBGC acts as an insurer for the nation's defined benefit pension plans. Those plans guarantee retirees a check every month. It collects payments from companies that offer defined benefit plans. That money is used to pay workers should their employer terminate those plans.

Companies are required to make minimum payments into their pension plans. In 2003, the government granted Crucible's request for a waiver of its minimum funding contribution to one of its pension plans, called the Syracuse plan. At the time the PBGC placed a lien on Crucible's assets to guarantee the payment.

Crucible filed for bankruptcy in May and plans to sell its assets to pay off USD 70 million in debt. So far, the company has only received one bid, for its Compaction Metals and Crucible Research divisions in Pittsburgh.

BlackEagle Partners LLC has offered to buy the Crucible Specialty Metals division in Geddes and the company's warehouses. It has reached an agreement with the United Steelworkers of America, which represents workers there, but has not filed an offer with the bankruptcy court.

(Sourced from www.syracuse.com)

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