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the confidentiality provision of

Federal Trade Commission

Washington, D.C. 20580
Attention: Ms. Nancy Ovuka
Compliance Specialist
FAX: (202) 326-2050

Re: Advice Concerning Hart-Scott-Rodino

Dear Ms. Ovuka:

This letter is to request advice regarding the position of the Federal Trade Commission ("FTC") with respect to the proposed acquisition of the beneficial interest in each of two trusts established in connection with leveraged sale-leaseback transactions.

Our client, [REDACTED] (the "Lessee"), is the lessee under eleven separate leveraged sale-leaseback transactions (the "Transactions") aggregating a 10% undivided interest in the [REDACTED] and certain common facilities (collectively, the "Leased Assets"). Each Transaction has a substantially identical structure: title to the leased undivided interest in the Leased Assets is held by a trustee (the "Trustee") which holds such title in a trust (the "Trust") for the benefit of a single institutional investor (the "Beneficiary"). The Trusts purchased the Leased Assets from the Lessee as part of the Transactions. The Beneficiaries receive the

[REDACTED]

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income stream generated by the lease payments to the Trust after payment of debt service on the non-recourse debt which financed 70% to 80% of the original purchase price. The Lessee, through its operating agent, [REDACTED] controls the Leased Assets to the exclusion of the Trustee and the Beneficiaries.

Beneficiaries. The Trustee is not, however, responsible for operating the Leased Assets and does not otherwise serve a policy-making function with respect to the Leased Assets. Indeed, in its order authorizing the Transactions, the Nuclear Regulatory Commission con-

This conclusion is subject to the condition that the

are prohibited from exercising directly or indirectly any control over the licensees of the [REDACTED] nuclear facility.

The Lessee proposes to acquire the beneficial interests in two of the eleven transactions (the "Beneficial Interests"). The Beneficial Interests are presently owned individually by [REDACTED]

of liquidating its entire investment portfolio (including the Beneficial Interests).

Enclosed are copies of two letters, one dated December 11, 1990 and the other dated March 18, 1991 (a follow-up request), signed by Mr. Patrick Gray, of the staff of the NRC, in which the

the Lessee proposes to make. The December 11, 1990 letter recites that:

[Mr. Sharp] advised [the author] that [Mr. Sharp] agreed with [REDACTED] analysis that the combination of the

standard leveraged sale-leaseback transaction in which the

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sale of the beneficial interest is in substance only the

transfer of an income stream, which is neither a voting

We are similarly of the view that the proposed purchase transaction should not be subject to the reporting requirements of the Act on the

The parties would like to close the initial step in the proposed transaction as promptly as reasonably practicable. Accordingly, we would appreciate hearing from you in the near future whether or not the staff concurs with our view as to the inapplica-

Sincerely,

This material may be subject to the confidentiality provision of Section 7A (h) of the Clayton Act which restricts release under the Freedom of Information Act