

a Delaware partnership ("EnviroTech Partnership"). The interest to be acquired by Development will represent not more than 9.9% of the interests of all limited partners of the EnviroTech Partnership. The sole general partner of the EnviroTech Partnership ("General Partner") will be Advent International Limited Partnership, a Delaware limited partnership, of which Advent International Corporation ("AIC") is the general partner. AIC is a venture capital investment firm.

In addition, Southern proposes to provide the funds needed by Development in order to acquire the interests in the EnviroTech Partnership. Such funds will be advanced to Development as cash capital contributions as and when contributions by the limited partners are called by the General Partner in accordance with the terms of the partnership agreement.

A key objective of the EnviroTech Partnership is to make investments in companies (each a "Portfolio Company") that will contribute to the reduction, avoidance or sequestering of greenhouse gas emissions; help utilities and their customers handle waste by-products more effectively or produce or manufacture goods or services more cost effectively; improve the efficiency of the production, storage, transmission, and delivery of energy; and provide investors with attractive opportunities relating to the evolving utility business climate which meet the above objectives.

In selecting suitable investments, the EnviroTech Partnership will focus on the following technology sectors, among others: Alternate and renewable energy technologies; environmental and waste treatment technologies and services; energy efficiency technologies, processes and services; electrotechnologies used in the reduction of medical waste; technologies and processes promoting alternative energy for transportation; and other technologies related to improving the generation, transmission and delivery of electricity.

The term of the EnviroTech Partnership is 10 years from the date of the partnership agreement, subject to extension for up to two years upon agreement of the General Partner and limited partners holding 66 $\frac{2}{3}$  percent of the combined capital contributions of all limited partners. Subject to certain limitations set forth in the partnership agreement, the management, operation, and implementation of policy of the EnviroTech Partnership will be vested exclusively in the General Partner. Among other powers, the General Partner will have discretion to invest

the partnership's funds in accordance with investment guidelines. The investment guidelines may be amended or modified only upon the affirmative vote of limited partners representing at least 75% of the commitments of all limited partners.

Under the terms of the partnership agreement the General Partner will be paid an annual management fee equal to 2 $\frac{1}{2}$  percent of the total amount of the capital commitments of the partners through the first six years, thereafter declining by  $\frac{1}{4}$  of 1% on each anniversary to 1.5% commencing on the ninth anniversary date. In addition, the General Partner shall be entitled to reimbursement for all reasonable expenses incurred in the organization of the EnviroTech Partnership up to \$195,000, and for other third party expenses incurred on behalf of the EnviroTech Partnership.

All EnviroTech Partnership income and losses (including income and losses deemed to have been realized when securities are distributed in kind) will generally be allocated 80% to and among the limited partners and 20% to the General Partner. All cash distributions to the partners shall be made first to the limited partners until such time as the limited partners shall have received aggregate distributions equal to the aggregate of their respective capital contributions, and thereafter 20% to the General Partner and 80% to the limited partners. Distributions in kind of the securities of Portfolio Companies that are listed on or otherwise traded in a recognized over-the-counter or unlisted securities market may be made at the option of the General Partner.

The partnership agreement also provides that in the event it is likely that an investment by the EnviroTech Partnership would cause a limited partner ("Conflicted Partner") to violate, among other things, any law or regulation, under certain circumstances other limited partners (each, a "Purchasing Partner") may purchase from the Conflicted Partner a proportionate interest in such an investment by delivering to the Conflicted Partner a note in the principal amount of the Conflicted Partner's capital contributions attributable to the portion of such interest in the investment being purchased. Such note will be non-recourse to the Purchasing Partner and will bear interest at a rate equal to 200 basis points over comparable U.S. Treasury obligations having a five year maturity, such interest and principal being payable only to the extent that the Purchasing Partner receives

distributions or payments attributable to the interest purchased.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-3282 Filed 2-8-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-20879; 812-9238]

**Van Kampen Merritt Equity Opportunity Trust, Series 7, et al.; Notice of Application**

February 3, 1995.

**AGENCY:** Securities and Exchange Commission ("SEC").

**ACTION:** Notice of application for exemption under the Investment Company Act of 1940 ("Act").

**APPLICANTS:** Van Kampen Merritt Equity Opportunity Trust, Series 7 and Van Kampen Merritt, Inc. (the "Sponsor").

**RELEVANT ACT SECTIONS:** Order requested under sections 11(a) and 11(c).

**SUMMARY OF APPLICATION:** Van Kampen Merritt Equity Opportunity Trust, Series 7 and certain Subsequent Series (the "Rollover Trust") and the Sponsor seek an order permitting certain offers to exchange units of terminating series of the Rollover Trust for units of subsequently offered series of the Rollover Trust.

**FILING DATES:** The application was filed on September 22, 1994, and an amendment thereto was filed on January 25, 1995.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on February 28, 1995, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reasons for the request, and the issues contested. Persons who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants: One Parkview Plaza, Oakbrook Terrace, Illinois 60181.

**FOR FURTHER INFORMATION CONTACT:** H.R. Hallock, Jr., Special Counsel, at (202) 942-0564 or Barry D. Miller,

Senior Special Counsel, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

### Applicants' Representations

1. The Rollover Trust will consist of a registered unit investment trust having multiple series, each of which will be similar but separate and designated by a different name and/or series number.<sup>1</sup> Each series for which exemptive relief is being sought will have the characteristics described below (the "Trust Series"). Each Trust Series will pursue an investment objective that is consistent with a specified investment philosophy. The Sponsor will serve as the sponsor and depositor for each such Trust Series.

2. The first Trust Series of the Rollover Trust will contain the Strategic Ten Trust—United States Portfolio, United Kingdom Portfolio and Hong Kong Portfolio. Its objective will be to provide an above-average total return derived from dividend income and capital appreciation by investing in common stocks (the "Equity Securities") of ten companies in the Dow Jones Industrial Average, the Financial Times Industrial Ordinary Share Index and the Hang Seng Index, respectively, having the highest dividend yield as of the day prior to the initial date of deposit for such Trust Series. Future series of the Rollover Trust may be similar to the first Trust Series or may consist of Trust Series with a different investment philosophy, a different number of common stocks or a different duration.

3. The Sponsor will be permitted to deposit additional Equity Securities in a Trust Series subsequent to the initial date of deposit. Any such deposit will result in a corresponding increase in the number of units of such Trust Series outstanding. Such units will be continuously offered for sale to the public by means of the prospectus. The Sponsor anticipates that any additional Equity Securities deposited in the Trust Series in connection with the sale of additional units will maintain, as nearly as is practicable, the original proportionate relationship among the Equity Securities in the Trust Series as of the original date of deposit of such

Trust Series. Although not obligated to do so, the Sponsor intends to maintain a secondary market for the units of each Trust Series.

4. Each Trust Series will terminate on a date (the "Mandatory Termination Date") which is a specified term (e.g., one, three or five years) after the initial date of deposit for such Trust Series. Commencing on the Mandatory Termination Date, Equity Securities will be sold in connection with termination of the Trust Series. The Sponsor will determine the manner, timing and execution of the sale of the Equity Securities. A specified number of days prior to the Mandatory Termination Date of the Trust, the trustee will provide notice thereof to all unitholders.

5. Absent another election, unitholders will receive a cash distribution evidencing their *pro rata* share of the proceeds from the liquidation of the Equity Securities in the Trust Series. Unitholders who own at least a specified number of units of a Trust Series (e.g., 2,500 units) may elect to receive a distribution of Equity Securities in connection with the termination of the Trust Series.

6. Alternatively, unitholders may elect to have all of their units redeemed in kind on a predetermined date which is prior to the Mandatory Termination Date, and to have the distributed Equity Securities sold by the trustee. The proceeds of such sale will be reinvested in the units of a new Trust Series (the "Reinvestment Trust Series"), if one is then being offered, at a reduced sales charge. (The option of unitholders to make such election is referred to as the "Rollover Option," and unitholders making such election are referred to as "Rollover Unitholders".) The portfolio of the Reinvestment Trust Series will contain a specified number of common stocks selected by the Sponsor pursuant to the same investment philosophy which was followed in selecting the common stocks in the terminating Trust Series. The number of common stocks in the Reinvestment Trust Series and the approximate duration of the Reinvestment Trust Series will be the same as those of the terminating Trust Series.

7. The applicable sales charge upon the initial investment in the Rollover Trust will not exceed 3.5% of the public offering price. The reduced sales charge applicable to Rollover Unitholders will be no more than 2.0% of the public offering price.

### Applicants' Legal Analysis

1. Section 11(a) requires SEC approval of an offer to exchange securities between open-end investment

companies if the exchange occurs on any basis other than the relative net asset values of the securities to be exchanged. Section 11(c) makes section 11(a) applicable to any type of exchange offer of securities of registered unit investment trusts for the securities of any other investment company, irrespective of the basis of exchange. Applicants seek an order pursuant to sections 11(a) and 11(c) of the Act permitting them to offer the Rollover Option in connection with the Trust Series described above to the extent such option is deemed to be an offer of exchange under section 11 of the Act.

2. Applicants state that, in the absence of the Rollover Option, a unitholder of a terminating Trust Series would have to pay the full sales charge in connection with the investment in the Reinvestment Trust Series or in some other investment vehicle. Pursuant to the Rollover Option, however, the Sponsor will offer unitholders of a Trust Series which is currently terminating the opportunity to invest in a Reinvestment Trust Series at a reduced sales charge. Through the exercise of the Rollover Option, investors will be able to decrease their proportionate sales charge burden while remaining invested in a portfolio of common stocks selected pursuant to a particular investment philosophy, determined on a relatively current basis.

3. Applicants state that unitholders of Rollover Trusts will not be induced or encouraged to participate in the Rollover Option through an active advertising or sales campaign. The Sponsor recognizes its responsibility to its customers against generating excessive commissions through churning and claims that the sales charge collected will not be a significant economic incentive to salesmen to promote inappropriately the Rollover Option.

4. On the basis of the foregoing, and subject to the conditions set forth below, Applicants submit that the Rollover Option is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

### Applicants' Conditions

If the requested exemption from section 11 is granted, Applicants agree to the following conditions:

1. Whenever the Rollover Option is to be terminated or its terms are to be amended materially, any holder of a security subject to that privilege will be given prominent notice of the impending termination or amendment at least 60 days prior to the date of

<sup>1</sup> Van Kampen Merritt Equity Opportunity Trust has been included in the Registration of Investors Corporate Income Trust, a taxable trust, on Form N-8B-2, File No. 811-2754.

termination or the effective date of the amendment, provided that:

(a) No such notice need to be given if the only material effect of an amendment is to reduce or eliminate the sales charge payable at the time of a rollover; and

(b) No notice need to be given if, under extraordinary circumstances, either—

(i) There is a suspension of the redemption of units of the Rollover Trust under section 22(e) of the Act and the rules and regulations thereunder, or

(ii) A Reinvestment Trust Series temporarily delays or ceases the sale of its units because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies and restrictions.

2. The sales charge collected at the time of any rollover shall not exceed 2.0% of the public offering price of the unit being acquired on each rollover.

3. The prospectus of each Reinvestment Trust Series and any sales literature or advertising that mentions the existence of the Rollover Option will disclose that the Rollover Option is subject to modification, termination or suspension.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-3283 Filed 2-8-95; 8:45 am]

BILLING CODE 8010-01-M

## DEPARTMENT OF TRANSPORTATION

### Notice of order Adjusting the Standard Foreign Fare Level Index

[Docket 37554]

Section 41509(e) of Title 49 of the United States Code requires that the Department, as successor to the Civil Aeronautics Board, establish a Standard Foreign Fare Level (SFFL) by adjusting the SFFL base periodically by percentage changes in actual operating costs per available seat-mile (ASM). Order 80-2-69 established the first interim SFFL, and Order 94-12-15 established the currently effective two-month SFFL applicable through January 31, 1995.

In establishing the SFFL for the two-month period beginning February 1, 1995, we have projected non-fuel costs based on the year ended September 30, 1994 data, and have determined fuel prices on the basis of the latest available experienced monthly fuel cost levels as reported to the Department.

By Order 95-2-9 fares may be increased by the following adjustment factors over the October 1979 level:

Atlantic.....	1.3924
Latin America .....	1.4213
Pacific.....	1.7999
Canada.....	1.5129

For further information contact: Keith A. Shangraw (202) 366-2439.

By the Department of Transportation:  
February 3, 1995

**Patrick V. Murphy,**

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. 95-3223 Filed 2-8-95; 8:45 am]

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### Notice of Order Adjusting International Cargo Rate Flexibility Level

Policy Statement PS-109, implemented by Regulation ER-1322 of the Civil Aeronautics Board and adopted by the Department, established geographic zones of cargo pricing flexibility within which certain cargo rate tariffs filed by carriers would be subject to suspension only in extraordinary circumstances.

The Standard Foreign Rate Level (SFRL) for a particular market is the rate in effect on April 1, 1982, adjusted for the cost experience of the carriers in the applicable ratemaking entity. The first adjustment was effective April 1, 1983. By Order 94-12-16, the Department established the currently effective SFRL adjustments.

In establishing the SFRL for the two-month period beginning February 1, 1995, we have projected non-fuel costs based on the year ended September 30, 1994 data, and have determined fuel prices on the basis of the latest available experienced monthly fuel cost levels as reported to the Department.

By Order 95-2-8 cargo rates may be adjusted by the following adjustment factors over the April 1, 1982 level:

Atlantic.....	1.1709
Western Hemisphere .....	1.1160
Pacific.....	1.3994

For further information contact: Keith A. Shangraw (202) 366-2439.

By the Department of Transportation:

Dated: February 3, 1995.

**Patrick V. Murphy,**

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. 95-3222 Filed 2-8-95; 8:45 am]

BILLING CODE 4910-62-P

## National Highway Traffic Safety Administration

### Denial of Petition

This notice sets forth the reasons for the denial of a petition submitted to the National Highway Traffic Safety Administration (NHTSA) under 49 U.S.C. § 30162 (formerly section 124 of the National Traffic and Motor Vehicle Safety Act of 1966, as amended).

By letter dated July 8, 1994, Mr. Kurt B. Chadwell petitioned NHTSA to reopen its closed defect investigation (Engineering Analysis, EA92-030) of power steering fluid leakage and resulting engine compartment fires in 1988 through 1990 Ford Taurus, Mercury Sable, and Lincoln Continental vehicles equipped with 3.8 liter engines. The petition also asked the NHTSA take all actions necessary to compel the Ford Motor Company (Ford) to initiate a safety recall of the 429,000 subject vehicles to remedy the alleged defect. By letter dated September 14, 1994, Mr. Chadwell provided additional information. By letter dated November 9, 1994, Mr. Chadwell requested that the investigation be expanded to include Taurus and Sable vehicles equipped with 2.5 liter and 3.0 liter engines.

The following are principal elements of the subject petition:

- The petitioner takes issue with NHTSA's decision to close the original investigation in October 1993.
- The petitioner states that Ford has followed an organizational practice of under-reporting to NHTSA the numbers of known failure incidents in this as well as in other investigations.
- The petitioner provides a document maintained by the U.S. Fire Administration in its National Fire Incident Reporting System (NFIRS), which lists engine compartment fires in Taurus, Sable, and Lincoln Continental vehicles equipped with 2.5 liter, 3.0 liter, and 3.8 liter engines. These data are presented as the basis for the petitioner's request that the investigation be expanded to include those vehicles with 2.5 liter and 3.0 liter engines.

In support of his claims, the petitioner discusses information taken from NHTSA's public record concerning EA92-030, other defect investigations, and other issues regarding compliance with Federal motor vehicle safety standards. In addition, he cites his personal experience as a former employee of Ford.

Regarding the specific petition elements as outlined above, the first represents a basic disagreement with NHTSA's conclusion in closing EA92-