Smith Barney also opposes this amendment. The Smith Barney Letter objects to the MSRB deeming a branch manager and a branch manager's supervisor to be municipal finance professionals if a retail sales person in that branch office was soliciting municipal securities business. It notes that the MSRB is concerned about situations in which retail sales persons are soliciting municipal securities business at the request of, or at least with the knowledge of, their supervisors; Smith Barney does not consider those reasons sufficient to justify the apparent breadth of the amendment. Smith Barney states that a simpler approach would be to interpret solicitation as asking others to solicit, and that the MSRB should not be concerned about supervisors who simply know that their sales persons are soliciting municipal securities business. The Commission believes that, while Smith Barney may be correct in theory, as a practical matter, Smith Barney's solution will make enforcement of the rule much more difficult. It believes that the practical difficulties of enforcing the rule if it were amended as Smith Barney suggests outweigh any compliance burdens imposed by the amendment. The Commission thus believes that the need for a prophylactic provision also outweighs the concerns expressed by Arter & Hadden concerning the burden imposed upon branch managers.[13]

B. Designation as a Municipal Finance Professional

Chemical and Artemis also express support for requiring each person designated by a dealer as a municipal finance professional to retain this designation for two years after the last activity or position which gave rise to the designation. The Chemical Letter states that the two year designation period matches the two year disqualification length contained in rule G–37(b) and provides clarity.

NBD opposes this amendment. NBD states that this amendment will create an undue reporting burden and would be unworkable from a supervisory standpoint. The NBD Letter reasons that if the designated municipal finance professional left the firm at which the professional engaged in the activity that gave rise to the designation, then that firm no longer would maintain any supervisory control over that individual, and therefore, any political activities of the individual would no longer benefit that firm and would be impossible to monitor. The NBD Letter also argues that if an employee is transferred to another department, then supervisory authority is severed. NBD regards it as ''unlikely'' that an employee would be transferred to another department in order to circumvent rule G–37.

With respect to the issue of monitoring municipal finance professionals who have left a firm, the Commission notes that rule G–37 does not require a firm to monitor the activities of a municipal finance professional that it no longer employs. With respect to the issue of whether a firm receives any continuing benefits from a municipal finance professional no longer employed by that firm, the Commission believes that whether or not a firm benefits from the political activities of an individual that occur after the individual leaves the firm, or is transferred, a firm may continue to enjoy the benefits that flow from that employee's activities even after that employee left the firm or was transferred. Rule G–37 reflects a reasoned judgment that certain activities may corrupt the awarding of municipal securities business, not only at the time of the activity, but for a certain period of time thereafter.

C. Miscellaneous Comments

Chemical and Artemis expressed support for the remainder of the rule change.

The PSA believes that the MSRB should further amend rule G–37 to:

- establish a threshold percentage of commissions below which a registered representative would not be considered a municipal finance professional;
- establish guidelines concerning how frequently they must review their records to identify registered representatives as municipal finance professionals;
- clarify that the MSRB will not retroactively apply the municipal finance professional designation to persons who were not initially identified by the broker, dealer or municipal securities dealer as a registered representative, but subsequently engage in activities that would trigger application.
- codify procedures for brokers, dealers and municipal securities dealers to follow to ensure that municipal finance professionals are being identified.

The Commission believes that the MSRB may address these comments in the context of a separate proposed rule change filed with the Commission. It does not believe that these comments must be addressed in the context of this rule change.

[13] The Commission notes that the amendment does not add any compliance burden that is not imposed under the current version of rule G–37.

IV. Discussion and Findings

The Commission finds that the rule change is consistent with the provisions of Section 15B(b)(2)(C)[14] of the Act, which provides that the Board's rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest. The Commission believes that the rule change is in the public interest and removes impediments to and perfects the mechanism of a free and open market in municipal securities in that the amendments: (i) tailor the application of rule G–37 to those persons who may be in a position to make political contributions for the purpose of influencing the awarding of municipal securities business by issuer officials; (ii) require disclosure of certain payments which may have the effect of influencing the awarding of municipal securities business; and (iii) eliminate the restrictions imposed by rule G–37 with respect to certain transactions and practices which are not likely to influence the awarding of municipal securities business by issuer officials.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that File No. SR–MSRB–94–14 be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30–3(a)(12).

Jonathan G. Katz,

Secretary.

[FR Doc. 95–6029 Filed 3–10–95; 8:45 am]

BILLING CODE 8010–01–M

[14] 15 U.S.C. § 78*o*–4.

[Rel. No. IC–20941; No. 812–9232]

Security Benefit Life Insurance Company, et al.

March 6, 1995.

AGENCY: Securities and Exchange Commission (''Commission'' or ''SEC'').

ACTION: Notice of Application for an Order under the Investment Company Act of 1940 (the ''1940 Act'').

APPLICANTS: Security Benefit Life Insurance Company (''SBL''), T. Rowe Price Variable Annuity Account (''SBL Separate Account''), Pioneer National

Life Insurance Company (''SBL–NY,'' together with SBL, the ''Insurance Companies''), T. Rowe Price Variable Annuity Account of First Security Benefit Life Insurance and Annuity Company of New York (''NY–Separate Account,'' together with SBL Separate Account, the ''Accounts'') and T. Rowe Price Investment Services, Inc. (''Investment Services'').

RELEVANT 1940 ACT SECTIONS: Order requested pursuant to Section 6(c) granting exemptions from the provisions of Sections 26(a)(2)(C) and 27(c)(2), and pursuant to Section 11 approving the terms of a payment arrangement.

SUMMARY OF APPLICATION: Applicants seek an order (1) pursuant to Section 6(c) of the 1940 Act, permitting the deduction of a mortality and expense risk charge from the assets of: (a) the Accounts in connection with the offer and sale of certain variable annuity contracts (''Current Contracts''); (b) the Accounts in connection with the issuance of variable annuity contracts that are substantially similar in all material respects to the Current Contracts (''Future Contracts,'' together with Current Contracts, the ''Contracts''); and (c) any other separate account established in the future by the Insurance Companies in connection with the issuance of Contracts; and (2) pursuant to Section 11 of the 1940 Act, approving the terms of a payment arrangement involving certain mutual funds and variable annuity contracts.

FILING DATE: The application was filed on September 16, 1994, and amended on February 3, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving the Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on March 31, 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 reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants, c/o Roger K. Viola, Esq., Security Benefit Life Insurance Company, 700 Harrison Street, Topeka, Kansas 66636, and Nancy M. Morris, Esq., T. Rowe Price Investment Services, Inc., 100 East Pratt Street, Baltimore, Maryland 21202. Copies of Jeffrey S. Puretz, Esq., Dechert Price & Rhoads, 1500 K Street, N.W., Suite 500, Washington, D.C. 20005 and Steven B. Boehm, Esq., Sutherland, Asbill & Brennan, 1275 Pennsylvania Avenue, N.W., Suite 800, Washington, D.C. 20004.

FOR FURTHER INFORMATION CONTACT: Kevin Kirchoff, Senior Attorney, or Wendy Friedlander, Deputy Chief, at (202) 942–0670, Office of Insurance Products (Division of Investment Management).

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. SBL is a mutual life insurance company organized under the laws of the State of Kansas. SBL–NY is a domestic stock life insurance company organized under the laws of the State of Kansas. All of SBL–NY's outstanding stock is owned by Pioneer National Corporation, a Kansas corporation (''PNC''), which is a wholly-owned subsidiary of Security Benefit Group, Inc., (''SBG''), a wholly-owned subsidiary of SBL. SBL–NY will be merged into a newly-formed New York insurance company in the near future with the resulting entity to be named the ''First Security Benefit Life Insurance and Annuity Company of New York'' for the purpose of marketing a form of the Contracts in New York.

2. The Accounts are separate investment accounts established by the Insurance Companies for the purpose of investing purchase payments received under the Contracts. Each of the Accounts is a unit investment trust which has filed a registration statement on Form N–4 under the Securities Act of 1933 to register the offering of the Contracts.

Each Account is currently divided into five Subaccounts that will invest exclusively in shares of the corresponding portfolio of one of the following mutual funds: (1) T. Rowe Price International Series, Inc.; (2) T. Rowe Price Equity Series, Inc.; and (3) T. Rowe Price Fixed Income Series, Inc. (collectively the ''Funds''). Each of the Funds is a Maryland corporation and is currently registered under the 1940 Act as an open-end management investment company. The shares of the Funds are purchased by the Insurance Companies for the Subaccounts at the Fund's net asset value per share.

The Insurance Companies may in the future establish additional separate accounts to support variable annuity contracts substantially similar in all material respects to the Contracts.

3. T. Rowe Price Associates, Inc. (''T. Rowe Price'') serves an investment adviser to each Fund, except the T. Rowe Price International Series, Inc. Rowe Price-Fleming International, Inc. (''Price-Fleming''), an affiliate of T. Rowe Price, serves as investment adviser to the T. Rowe Price International Services, Inc. Each of T. Rowe Price and Price-Fleming is registered with the Commission as an investment adviser pursuant to the Investment Advisers Act of 1940.

4. Investment Services will be the principal underwriter of the Contracts. Investment Services is a wholly-owned subsidiary of T. Rowe Price. Investment Services is a broker-dealer registered under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. Investment Services receives no compensation for acting as principal underwriter under distribution agreements with the Insurance Companies. Investment Services also is the distributor of shares of the T. Rowe Price Public Funds, currently consisting of 36 open-end management investment companies. Each such fund is offered directly to the public and is managed by T. Rowe Price, Price Fleming, or an affiliate thereof.

5. The Contracts are available for purchase as non-tax qualified retirement plans. The Contracts are also eligible for use in connection with tax qualified retirement plans that meet the requirements of Sections 403(b) and 408 of the Internal Revenue Code of 1986, as amended (the ''Code''). The minimum initial premium is $10,000 ($5,000 if made pursuant to an automatic investment program) to purchase a Contract in connection with a non-tax qualified retirement plan and $2,000 ($25 if made pursuant to an automatic investment program) to purchase a Contract in connection with a qualified plan. Subsequent premium payments are flexible, although they must be for at least $1,000 ($200 if made pursuant to a automatic investment program) for Contracts purchased in connection with a non-tax qualified retirement plan, and $500 ($25 if made pursuant to an automatic investment program) for Contracts purchased in connection with a tax qualified plan. The Insurance Companies may reduce the minimum premium requirements under certain circumstances, such as for group or sponsored arrangements.

6. Premiums that are intended to accumulate on a variable basis may be allocated to one or more of the

Subaccounts of the Accounts with respect to the Contracts. Premiums that are allocated to a Subaccount are invested exclusively in shares of the corresponding portfolio of the Funds. Amounts held in a Subaccount will increase or decrease in dollar value depending on the investment performance of the corresponding portfolio of the Fund in which the Subaccount invests. The Owner bears the investment risk for amounts allocated to a Subaccount.

Premiums that are intended to accumulate on a fixed basis may be allocated to the Insurance Company's Fixed Account. Amounts allocated to the Fixed Account earn interest at a guaranteed annual effective rate of at least 3%, compounded daily.

7. Contract owners may change the allocation of Contract Value up to six times a year. Additional changes in allocation may be made under allocation programs made available in connection with the Contracts. Contract owners may make partial withdrawals within limits and surrender their Contracts at any time before the annuity date. Each partial withdrawal must be for at least $500 and, after the withdrawal, the remaining value in the Contract must be at least $2,000.

8. Contract owners may apply their Contract Value to any of the several annuity options offered under the Contracts. Both fixed and variable options are available.

9. The Contracts also provide for the payment of a death benefit. If the Owner (or Annunitant, if the Owner is not a natural person) dies during the Accumulation Period, the Insurance Companies will pay death benefit proceeds to the Beneficiary upon receipt of due proof of the Owner's death and instructions regarding payment to the Beneficiary.

10. The death benefit proceeds will be the death benefit reduced by any outstanding Contract debt and any uncollected premium taxes. If the Owner dies during the Accumulation Period and the issue age of each Owner was 75 or younger on the date the Contract was issued, the amount of the death benefit will be the greater of (1) the Contract's value as of the date that due proof of death and instructions regarding payment are received by an Insurance Company at its Home Office, (2) the aggregate premium payments received less any reductions caused by previous withdrawals, or (3) the stepped-up death benefit. The stepped-up death benefit is (a) the highest death benefit on any annual Contract anniversary that is both an exact multiple of five and occurs prior to the oldest Owner attaining age 76, plus (b) any purchase payments made since the applicable fifth annual Contract anniversary, less (c) any withdrawals since the applicable fifth annual Contract anniversary. If the Owner dies during the Accumulation Period and the Contract was issued after age 75, the amount of the death benefit will be the Contract's value as of the date that due proof of death and instructions regarding payment are received by an Insurance Company at its Home Office. On the death of any Owner on or after the annuity payout date, any guaranteed payments remaining unpaid will continue to be paid to the Annuitant pursuant to the Annuity Option in force at the date of death. No death benefit will be paid if the Owner dies after the annuity payout date.

11. The Insurance Companies will deduct a daily charge from the assets of the Accounts for mortality and expense risks and costs assumed by them under the Current Contracts. The mortality and expense charge under the Current Contracts is equal to an annual rate not to exceed .55% of the average daily net assets of each Subaccount that funds the Contracts. The .55% charge consists of approximately .30% for mortality risk and .25% for expense risk and costs. This charge is intended to compensate the Insurance Companies for certain mortality and expense risks and costs the Insurance Companies assume in offering and administering the Current Contracts and in operating the Accounts.

The mortality risk borne by the Insurance Companies is the risk that the persons on whose lives annuity payments depend, as a group, will live longer than the Insurance Companies' actuarial tables predict. In this event, the Insurance Companies guarantee that annuity payments will not be affected by a change in mortality experience that results in the payment of greater annuity income than assumed under the Annuity Options in the Contract. The Insurance Companies also assume a mortality risk in connection with the death benefit under the Contract.

The Contracts do not include charges for administrative expenses. All administrative charges related to the Contracts are paid by the Insurance Companies. The Insurance Companies expect a profit from the mortality and expense risk charge that may be used to pay administrative costs. The expense risk borne by the Insurance Companies is that the anticipated profits from the mortality and expense risk charge will be insufficient to pay for the administrative expenses.[1]

12. The mortality and expense risk charge under the Current Contracts is equal to an annual rate of .55% of the average daily net assets of each subaccount that funds the Contracts. The Insurance Companies may issue Future Contracts with a mortality and expense risk charge not exceeding 1.00%.

13. The Insurance Companies may realize a profit from this charge to the extent it is not needed to cover mortality and administrative expenses, but the Insurance Companies may realize a loss to the extent the charge is not sufficient. The Insurance Companies may use any profit derived from this charge for any lawful purpose, including payment of any distribution expenses.

14. Contract purchasers and owners may own shares of a T. Rowe Price Public Fund(s), and may desire to transfer funds from a T. Rowe Price Public Fund(s) to a Contract as a premium payment. In addition, Contract owners may desire to invest proceeds from a redemption, withdrawal or surrender under the Contracts or annuity payments payable thereon, in shares of a T. Rowe Price Public Fund(s). Investment Services proposes to accommodate such investors with a payment arrangement facilitating such transfers. Use of this arrangement would be entirely elective; no Contract owner or purchaser would be required to use the payment arrangement to purchase a Contract or shares of a T. Rowe Price Public Fund.

15. Because neither the T. Rowe Price Public Funds nor the Contracts impose sales load charges, there is no possibility that any sales load would be deducted in connection with the application of redemption proceeds from a T. Rowe Price Public Fund to premium payments on a Contract, or the application of redemption proceeds or annuity payments from a Contract to the purchase of shares of T. Rowe Price Public Fund. However, applicable premium taxes may be deducted in connection with the first annuity payment or the payment of redemption proceeds under the Contract.

Applicants' Legal Analysis and Conditions

1. Applicants request an order of the Commission under Section 6(c) for exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to the extent necessary to permit the

[1] Applicants have undertaken to amend their application during the notice period to include these representations.

deduction of a maximum charge of 1.00% for the assumption of mortality and expense risks from the assets of: (a) the Accounts in connection with the issuance of the Current Contracts; (b) the Accounts in connection with the issuance of any Future Contracts; and (c) any other separate account established in the future by the Insurance Companies in connection with the issuance of Future Contracts. Applicants believe that the requested exemptions are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

2. Applicants submit that their request for exemptive relief for deduction of a maximum 1.00% mortality and expense risk charge from the assets of the Accounts, or any other separate account established by the Insurance Companies in the future, in connection with the issuance of Future Contracts, would promote competitiveness in the variable annuity contract market by eliminating the need for the Insurance Companies to file redundant exemptive applications, thereby reducing the Insurance Companies' administrative expenses and maximizing the efficient use of their resources. Applicants further submit that the delay and expense involved in having repeatedly to seek exemptive relief would impair the Insurance Companies' ability effectively to take advantage of business opportunities as they arise. Further, if the Insurance Companies were required repeatedly to seek exemptive relief with respect to the same issues regarding a mortality and expense risk charge addressed in this Application, investors would not receive any benefit or additional protection thereby. Thus, Applicants believe that the requested exemptions regarding a mortality and expense risk charge are appropriate in the public interest and consistent with the protection of investors and purposes fairly intended by the policy and provisions of the 1940 Act.

3. Section 6(c) of the 1940 Act authorizes the Commission, by order upon application, to conditionally or unconditionally grant an exemption from any provision, rule or regulation of the 1940 Act to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

4. Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act, in relevant part, prohibit a registered unit investment trust, its depositor or principal underwriter, from selling periodic payment plan certificates unless the proceeds of all payments, other than sales loads, are deposited with a qualified bank and held under arrangements which prohibit any payment to the depositor or principal underwriter except a reasonable fee, as the Commission may prescribe, for performing bookkeeping and other administrative duties normally performed by the bank itself.

5. Applicants represent that the maximum 1.00% mortality and expense risk charge under the Contracts is within the range of industry practice for comparable annuity contracts. This representation is based upon Applicants' analysis of similar industry products, taking into account such factors as annuity purchase rate guarantees, death benefit guarantees, other contract charges, the frequency of charges, the administrative services performed by the companies with respect to the contracts, the means of promotion, the market for the contracts, investment options under the contracts, and the tax status of the contracts. Applicants represent that the Insurance Companies will maintain at their home offices, available to the Commission, a memorandum setting forth in detail the products analyzed in the course of, and the methodology and results of, their comparative survey.

6. Applicants acknowledge that, if a profit is realized from the mortality and expense risk charge under the Contracts, all or a portion of such profit may be available to pay distribution expenses. The Insurance Companies have concluded that there is a reasonable likelihood that the proposed distribution financing arrangements will benefit the Accounts and the Contract owners. The basis for that conclusion is set forth in a memorandum which will be maintained by the Insurance Companies at their home offices and will be made available to the Commission. Applicants represent that Future Contracts will be offered only if the Insurance Companies conclude that the proposed distribution financing arrangement will benefit such Future Contracts and the Accounts or other separate accounts established in connection with their issuance and the Contract owners. The basis for such conclusion will be set forth in a memorandum which will be maintained by the Insurance Companies at their home offices and will be made available to the Commission.[2]

[2] Applicants have undertaken to amend their application during the notice period to include these representations.

7. Applicants also represent that the Accounts will invest only in underlying open-end management investment companies which undertake, in the event they should adopt a plan under Rule 12b–1 to finance distribution expenses, to have a board of directors or trustees, a majority of whom are not ''interested persons'' of such company within the meaning of Section 2(a)(19) of the 1940 Act, formulate and approve any such plan.

8. Section 11(a) of the 1940 Act makes it unlawful, in relevant part, for a registered open-end investment company or any of its principal underwriters:

> To make or cause to be made an offer to the holder of a security of such company or of any other open-end investment company to exchange his security for a security in the same or another such company on any basis other than the relative net asset values of the respective securities to be exchanged, unless the terms of the offer have first been submitted to and approved by the Commission or are in accordance with such rules and regulations as the Commission may have prescribed in respect of such offers which are in effect at the time such offer is made.

9. Section 11(c) of the 1940 Act provides that, irrespective of the basis of exchange, subsection (a) shall be applicable:

> (1) to any offer of exchange of any security of a registered open-end investment company for a security of a registered unit investment trust * * *; and (2) to any type of offer of exchange of the securities of registered unit investment trusts * * * for the securities of any other investment company.

10. The Commission has promulgated Rules 11a–2 and 11a–3 under Section 11, each of which permits the making of certain exchange offers without prior Commission approval provided that specified conditions are met.

Rule 11a–2 permits offers of exchange to be made by registered insurance company separate accounts to holders of variable contracts supported by separate accounts having the same or an affiliated insurance company depositor or sponsor, provided that, with respect to variable annuity contracts, (1) the exchange is made on the basis of the relative net asset values of the securities to be exchanged (less any administrative fee disclosed in the offering account's registration statement); and (2) any sales loads which may be imposed are calculated and deducted in accordance with the terms and conditions of Rule 11a–2.

Rule 11a–3 permits a fund or its principal underwriter to make exchange offers to shareholders in that fund or another fund in the same group of funds

on a basis other than net asset value. The rule permits the imposition of certain sales loads and/or other fees in connection with the exchange, provided that (1) any administrative fee or scheduled variation thereof is applied uniformly to all security holders of the specified class; (2) any redemption fee or scheduled variation thereof is applied uniformly and does not exceed the redemption fee applicable to the redemption of the exchanged security in the absence of an exchange; (3) adequate disclosure is made with respect to the fees charged and the limitations and any rights of termination applicable to an exchange offer; and (4) sales loads are calculated and deducted in accordance with the terms and conditions of Rule 11a–3.

Rule 11a–2 thus permits offers of exchange between insurance company separate accounts having the same or affiliated depositor or sponsor and Rule 11a–3 permits certain exchange offers between funds in the same group of funds. However, neither rule permits exchanges between a publicly-offered management investment company and a separate account.

11. Applicants state that, because neither the T. Rowe Price Public Funds nor the Contracts impose sales load charges, no sales load will be deducted in connection with the application of redemption proceeds from a T. Rowe Price Public Fund to premium payments on a Contract, or the application of redemption proceeds or annuity payments from a Contract to the purchase of shares of T. Rowe Price Public Fund. Thus, there is no possibility of the abuse contemplated by Section 11(a) (*i.e.*, offers of exchange made solely for the purpose of assessing additional selling charges). The payment arrangement is consistent with the intent and purposes of Rules 11a–2 and 11a–3 and would satisfy the conditions established by those rules if the Applicants were eligible to rely on them.

12. Applicants believe that exemptive relief is necessary, appropriate and fully consistent with the purpose of Section 11 of the 1940 Act, and that the payment arrangement would not result in any of the abuses the section was enacted to prevent. The payment arrangement provides substantial benefits to Contract purchasers and owners by providing a convenient means of making premium payments and of investing proceeds from a redemption, withdrawal or surrender under the Contracts. The payment arrangement is consistent with the protection of investors and with the purposes fairly intended by the policy and provisions of the 1940 Act.

Conclusion

For the reasons set forth above, Applicants represent that the exemptions requested are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 95–6030 Filed 3–10–95; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Airbus Industrie Proposal To Establish a Maximum Passenger Capacity for the Model A321 Airplane Without Conduct of a Full-Scale Evacuation Demonstration; Public Meeting

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of public meeting.

SUMMARY: This notice announces a public meeting which is being held by the Federal Aviation Administration (FAA) for the purpose of soliciting and reviewing information from the public on a proposal by Airbus Industrie to establish a maximum passenger capacity for the model A321 airplane without conduct of a full-scale evacuation demonstration. Interested parties are invited to make presentations or submit material for the record.

DATES: The public meeting is scheduled for Friday, April 14, 1995. On-site registration will begin at 7:30 a.m., and the public meeting will begin at 8:30 a.m.

REGISTRATION: Persons planning to attend the public meeting should preregister by contacting the person identified later in this notice as the contact for further information. Arrangements for oral presentations must be made by March 25, 1995.

ADDRESSES: The public meeting will be held at the Holiday Inn, SeaTac International Airport, 17338 International Blvd., Seattle, Washington 98188.

FOR FURTHER INFORMATION CONTACT: Jeff Gardlin, FAA, Transport Standards Staff, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA 98055–4056; telephone (206) 227–2136.

SUPPLEMENTARY INFORMATION: Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463; 5 U.S.C. App. II), notice is given of a public meeting to be held on April 14, 1995 at the Holiday Inn, SeaTac International Airport in Seattle, Washington. The purpose of this meeting is to hear comments from the general public regarding a proposal by Airbus Industrie to establish the maximum passenger capacity for the A321 airplane, without conduct of a full-scale evacuation demonstration. This proposal includes utilization of previous full-scale evacuation data from a similar airplane model, in combination with partial evacuation testing and analysis. This approach would represent a departure from previous FAA-approval methods for new airplane models, although the European Joint Aviation Authorities have already approved the airplane using this method. The A321 is a derivative of the A320 airplane, and includes replacement of the two Type III overwing exits with two pairs of improved Type I exits. While this subject is being addressed by the Emergency Evacuation Issues Group of the Aviation Rulemaking Advisory Committee (ARAC), that group has not yet reached a consensus on the procedures to follow in such a case. In the absence of a formal recommendation from ARAC, the FAA is inviting the interested public to comment on the Airbus proposal. The FAA will consider information presented at the public meeting in the course of making its decision on the acceptability of the Airbus proposal.

The agenda for the meeting will include:

Regulatory Background
Certification Test Procedures
Airbus Presentation of Proposed Compliance Method
Presentations from the Public

Attendance is open to the interested public, but will be limited to the space available.

Requests To Be Heard

Persons planning to present data or comments at the public meeting are requested to provide the FAA an abstract of their presentation by March 25, 1995. The abstract should include an estimate of the time needed to make the presentation, and should be mailed to the person identified earlier in this notice as the contact for further information. Following each presentation, a discussion period will be allowed and all persons will be given the opportunity to open discussions on the presentation.