

requiring Kansas City Life to pay out more in annuity income than it had planned. Kansas City Life also assumes a mortality risk in that it may be obligated to pay a death benefit in excess of the Contract Value. The expense risk assumed by Kansas City Life is that the other fees may be insufficient to cover actual expenses.

11. If the mortality and expense risk charge is insufficient to cover the actual cost of the risks, Kansas City Life will bear the shortfall. Conversely, if the charge is more than sufficient, the excess will be profit to Kansas City Life and will be available for any proper corporate purpose.

12. If premium taxes are applicable to a Contract, they will be deducted upon surrender of the Contract or upon application of the Contract proceeds to an annuity payment option or lump sum payment at the maturity date.

Applicants' Legal Analysis

1. Applicants request an exemption pursuant to section 6(c) from sections 26(a)(2)(C) and 27(c)(2) to the extent necessary to permit the deduction from the Separate Account and Other Accounts that Kansas City Life may establish in the future of the 1.25% Mortality and Expense Risk Charge. Sections 26(a)(2)(C) and 27(c)(2) of the 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.

2. Section 6(c) of the Act authorizes the Commission to exempt any person from any provision of the Act or any rule or regulation thereunder, if and to the extent that such 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 Act.

3. Applicants also request relief with respect to Future Contracts that may be issued from the Separate Account and Other Accounts. Applicants represent that the terms of the relief requested with respect to any Future Contracts are consistent with the standards of section 6(c) of the Act. Without the requested relief, applicants represent that they would have to request and obtain exemptive relief for Future Contracts

and any Other Account. Applicants represent that these additional requests for exemptive relief would present no issues under the Act not already addressed in this application, and that investors would not receive any benefit or additional protections thereby.

4. Applicants represent that the requested relief is appropriate in the public interest, because it would promote competitiveness in the variable annuity contract market by eliminating the need for applicants to file redundant exemptive applications, thereby reducing their administrative expenses and maximizing the efficient use of resources. Elimination of the delay and expense involved in repeatedly seeking exemptive relief would enhance applicants' ability effectively to take advantage of business opportunities as they arise. Applicants further represent that their requested relief is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

5. Applicants represent that the 1.25% per annum mortality and expense risk charge is within the range of industry practice for comparable variable annuity contracts. This representation is based on an analysis of publicly available information regarding similar contracts of other companies, taking into consideration such features as current charge levels, death benefit guarantees, and investment options under the Contracts. Kansas City Life will maintain at its home office, and make available to the SEC upon request, a memorandum setting forth in detail the products analyzed and the methodology and results of applicants' comparative review.

6. Prior to relying on any exemptive relief granted herein with respect to Future Contracts issued by the Separate Account or Other Accounts, applicants will determine that the mortality and expense risk charge will be within the range of industry practice for comparable contracts. Kansas City Life will maintain at its home office a memorandum, available to the Commission upon request, setting forth the methodology used in making these determinations.

7. Kansas City Life acknowledges that distribution expenses may be paid from profits derived from the mortality and expense risk charges. Kansas City Life has concluded that there is a reasonable likelihood that the proposed distribution financing arrangement will benefit the Separate Account and the Contract owners. Kansas City Life will maintain and make available to the Commission upon request a

memorandum at its home office setting forth the basis of such conclusion.

8. Prior to relying on any exemptive relief granted herein with respect to Future Contracts issued by the Separate Account or Other Accounts, applicants will determine that there is a reasonable likelihood that the distribution financing arrangement will benefit the Separate Account, Other Accounts, and their investors. Kansas City Life will maintain and make available to the Commission upon request a memorandum at its home office setting forth the basis of such conclusion.

9. The Separate Account will invest in a management investment company that has adopted a plan pursuant to rule 12b-1 under the Act only if that company has undertaken to have such plan formulated and approved by its board of directors, a majority of whom are not "interested persons" of the company within the meaning of section 2(a)(19) of the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-16211 Filed 6-30-95; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster Loan Area #8546]

Virginia (And a Contiguous County in North Carolina); Declaration of Disaster Loan Area

Henry County and the contiguous counties of Franklin, Patrick, and Pittsylvania, and the independent City of Martinsville in the Commonwealth of Virginia, and Rockingham County in the State of North Carolina constitute an economic injury disaster area as a result of damages caused by a fire in the City of Martinsville which occurred on April 25, 1995. Eligible small businesses without credit available elsewhere and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance until the close of business on March 28, 1996, at the address listed below: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd. South, 3rd Floor, Niagara Falls, NY 14303, or other locally announced locations. The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

The economic injury number for the State of North Carolina is 854700.

(Catalog of Federal Domestic Assistance Program No. 59002.)

Dated: June 28, 1995.

Cassandra M. Pulley,

Deputy Administrator.

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BILLING CODE 8025-01-M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Reports, Forms, and Recordkeeping Requirements

AGENCY: Department of Transportation (DOT), Office of the Secretary.

ACTION: Notice.

SUMMARY: This notice lists those forms, reports, and recordkeeping requirements imposed upon the public which were transmitted by the Department of Transportation to the Office of Management and Budget (OMB) for its approval in accordance with the requirements of the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35).

DATES: June 23, 1995.

ADDRESSES: Written comments on the DOT information collection requests should be forwarded, as quickly as possible, to Edward Clarke, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. If you anticipate submitting substantive comments, but find that more than 10 days from the date of publication are needed to prepare them please notify the OMB official of your intent immediately.

FOR FURTHER INFORMATION CONTACT:

Copies of the DOT information collection requests submitted to OMB may be obtained from Susan Pickrel or Annette Wilson, Information Resource Management (IRM) Strategies Division, M-32, Office of the Secretary of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590, (202) 366-4735.

SUPPLEMENTARY INFORMATION: Section 3507 of Title 44 of the United States Code, as adopted by the Paperwork Reduction Act of 1980, requires that agencies prepare a notice for publication in the **Federal Register**, listing those information collection requests submitted to OMB for approval or renewal under that Act. OMB reviews and approves agency submissions in accordance with criteria set forth in that Act. In carrying out its responsibilities, OMB also considers public comments on the proposed forms and the reporting

and recordkeeping requirements. OMB approval of an information collection requirement must be renewed at least once every three years.

Items Submitted to OMB for Review

The following information collection requests were submitted to OMB on June 23, 1995:

DOT No: 4068.

OMB No: 2138-0041.

Administration: Research and Special Programs Administration.

Title: Airline Service Quality Performance.

Need for Information: Title 14 CFR part 234 prescribes the requirements for airline service quality performance reports.

Proposed Use of Information: The information will be used to produce consumer reports for the travelling public and for air traffic control modeling.

Frequency: Monthly.

Burden Estimate: 2,340 hours.

Respondents: Large scheduled passenger airlines.

Form(s): None.

Average Burden Hours Per Response: 20 hours.

DOT No: 4069.

OMB No: 2120-0057.

Administration: Federal Aviation Administration.

Title: Safety Improvement Report/Accident Prevention Counselor Activity Reports.

Need for Information: Title 49 USC 44701(a)(2)(c) authorizes the Secretary of Transportation to exercise and perform his or her powers and duties under the law in such manner as will best tend to reduce or eliminate the possibility or recurrence of accidents in air transportation or other commerce.

Proposed Use of Information: The information collected on Form 8740-5 will be used by the public to alert FAA of conditions that may be hazardous to flight safety. Once noted by the FAA, hazardous conditions can be corrected. The information collected on Form 8740-6 will provide information used to document and support the activities of approximately 3,777 volunteer Accident Prevention Counselors who constitute a major resource of the Accident Prevention Program.

Frequency: As required.

Burden Estimate: 4,614 hours.

Respondents: Individuals, governments.

Form(s): FAA Forms 8740-5 and 8740-6.

Average Burden Hours Per Response: 6 minutes.

DOT No: 4070.

OMB No: 2127-0541.

Administration: National Highway Traffic Safety Administration.

Title: Owner's Manual Requirements—Motor Vehicle and Motor Vehicle Equipment.

Need for Information: Title 49 USC 30117 authorizes the Secretary of Transportation to require that manufacturers provide technical information related to the performance and safety specified in the Federal Motor Vehicle Safety Standards for the purposes of educating the consumer and providing safeguards against improper use.

Proposed Use of Information: The information will be used to inform vehicle owners and passengers about the proper use of the vehicle or equipment.

Frequency: On occasion.

Burden Estimate: 1,095 hours.

Respondents: Businesses, small businesses.

Form(s): None.

Average Burden Hours Per Response: 120 minutes.

DOT No: 4071.

OMB No: 2127-0039.

Administration: National Highway Traffic Safety Administration.

Title: Petitions for Hearings on Notifications and Remedy on Defects.

Need for Information: Title 49 USC 30118 and 30120 establish procedures for any person to petition NHTSA for a hearing to determine whether a manufacturer has met its obligation to notify vehicle owners, purchasers and dealers of a defect or noncompliance with safety standards, and whether the remedy had been satisfactory.

Proposed Use of Information: The information will be used to ensure that a manufacturer meets its obligation to notify owners, purchasers and dealers of any safety-related defects or noncompliance and to remedy the problems by repair, repurchase or replacement.

Frequency: On occasion.

Burden Estimate: 21 hours.

Respondents: Individuals.

Form(s): None.

Average Burden Hours Per Response: 60 minutes.

DOT No: 4072.

OMB No: 2127-0025.

Administration: National Highway Traffic Safety Administration.

Title: Confidential Business Information.

Need for Information: Title 49 CFR Part 512 establishes procedures to be followed by vehicle and equipment manufacturers when they are requesting confidential treatment of information they have submitted to NHTSA.