

Pennsylvania Power & Light Company; Correction**[Docket Nos. 50-387 and 50-388]**

The July 5, 1995, **Federal Register** contained a "Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing" for the Susquehanna Steam Electric Station. This notice corrects the notice published in the **Federal Register** on July 5, 1995, (60 FR 35083). The notice is for Susquehanna Steam Electric Station, Unit 2, rather than Unit 1.

Dated at Rockville, Maryland this 10th day of July 1995.

For the Nuclear Regulatory Commission.

John Stolz,

Director, Project Directorate I-2, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.

[FR Doc. 95-17445 Filed 7-14-95; 8:45 am]

BILLING CODE 7590-01-M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**Report on Proposed Changes to U.S. Harmonized Tariff Schedule**

AGENCY: Office of the United States Trade Representative.

ACTION: Report on proposed changes to U.S. Harmonized Tariff Schedule (HTS) made available for review by the public.

SUMMARY: Notice is hereby given that the report submitted by the President under section 1206 of the Omnibus Trade and Tariff Act of 1988 (1988 Act) to Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate for the implementation of HTS changes is available for review in the public reading room at the Office of the United States Trade Representative.

DATES: The report was submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on May 16, 1995, and the President will proclaim the modifications outlined in the report after the required 60-legislative-day layover period.

ADDRESSES: Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Barbara Chattin, Director, Tariff Affairs, or Denby Misurelli at (202) 395-5097.

SUPPLEMENTARY INFORMATION: Sections 1205 and 1206 of the 1988 Act establish an administrative mechanism by which

the President may proclaim certain modifications to the HTS. Section 1205 directs the U.S. International Trade Commission (ITC) to keep the HTS under continuous review and to recommend such modifications to the President when amendments to the Harmonized System (HS) nomenclature are adopted by the World Customs Organization (formerly known as the Customs Cooperation Council) and as other circumstances warrant.

Under section 1206, the President may proclaim modifications to the HTS, on the basis of recommendations by the ITC under section 1205, if he determines that the modifications are in conformity with U.S. obligations under the HS Convention and do not run counter to the national economic interest of the United States. The President may proclaim such modifications only after the expiration of a 60-legislative-day period beginning on the date the President submits a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the proposed modifications and the reasons therefor. Modifications proclaimed by the President may not become effective before the 15th day after the text of the proclamation is published in the **Federal Register**.

A copy of the report is available for public inspection in the USTR Reading Room. An appointment to review the report may be made by contacting Brenda Webb at (202) 395-6186. The USTR Reading Room is open to the public from 10 a.m. to 12 noon and 1 p.m. and 4 p.m., Monday through Friday, and is located in Room 101, Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

Frederick L. Montgomery,

Chairman, Trade Policy Staff Committee.

[FR Doc. 95-17439 Filed 7-14-95; 8:45 am]

BILLING CODE 3190-01-M

SECURITIES AND EXCHANGE COMMISSION**[Rel. No. IC-21196; File No. 812-9466]****The Equitable Life Assurance Society of the United States, et al.**

July 10, 1995.

AGENCY: Securities and Exchange Commission (the "SEC" or the "Commission").

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

APPLICANTS: The Equitable Life Assurance Society of the United States ("Equitable"), Separate Account A of The Equitable Life Assurance Society of the United States (the "Separate Account"), and Equico Securities, Inc. ("Equico").¹

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) of the 1940 Act for exemptions from Sections 26(a)(2)(C) and 27(c)(2) thereof.

SUMMARY OF APPLICATION: Applicants seek an order permitting the deduction of a mortality and expense risk charge:

(1) From the assets of the Separate Account in connection with the offering of certain new series of group deferred variable annuity contracts and certificates, including certificate endorsements, issued by Equitable through the Separate Account (the contracts and certificates being referred to herein as the "1995 Series Contracts" and the "New Series Contracts," respectively, and collectively as the "Contracts"); and

(2) in connection with the offering in the future of deferred variable annuity contracts issued by Equitable through the Separate Account or any other separate account established by Equitable in the future to support certain deferred variable annuity contracts and certificates issued by Equitable ("Other Account"), which contracts shall be substantially similar in all material respects to the 1995 Series or New Series Contracts (the "Other Contracts").

FILING DATE: The application was filed on February 3, 1995, and amended and restated on May 26, 1995, and June 16, 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 Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on August 4, 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 Secretary of the Commission.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C., 20549.

¹ Applicants represent that, during the notice period, the application will be amended regarding the identity of the Applicants.

Equitable and its separate account(s), 787 Seventh Avenue, Area 36-K, New York, New York 10019. Equico, 1755 Broadway, New York, New York 10019.

FOR FURTHER INFORMATION CONTACT: Joseph G. Mari, Senior Special Counsel, or Patricia M. Pitts, Special Counsel, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

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

Applicants' Representations

1. Equitable, a stock life insurance company organized under the laws of the State of New York, serves as depositor of the Separate Account. Equitable may establish one or more Other Accounts in the future, for which it will serve as depositor.

2. The Separate Account, established on August 1, 1968, is registered with the Commission under the 1940 Act as a unit investment trust. It is used to fund benefits under group variable annuity contracts and certificates, as well as individual variable annuity contracts, issued by Equitable. The Separate Account will be used to fund the variable benefits available under the 1995 Series Contracts and the New Series Contracts. Units of interest in the Separate Account under the Contracts will be registered under the Securities Act of 1933.

3. The portion of the assets of the Separate Account equal to the reserves and other liabilities relating to the contracts funded by the Separate Account, including the Contracts, is not chargeable with liabilities arising out of any other business Equitable conducts. Any income, gains or losses, realized or unrealized, from assets allocated to the Separate Account are, in accordance with the applicable contracts, credited to or charged against the Separate Account without regard to other income, gains or losses of Equitable.

4. The Separate Account currently is subdivided into thirteen subaccounts ("Investment Funds"), each of which will be available under the Contracts. Each Investment Fund invests solely in the shares of a corresponding portfolio of The Hudson River Trust (the "Trust"). The Trust, an open-end management investment company registered under the 1940 Act, currently is divided into thirteen separate portfolios.

5. Contributions under the Contracts may be allocated to any one or more of the Investment Funds and the

Guaranteed Interest Account, which is part of Equitable's General Account (together with the Investment Funds, the "Investment Options"). The Contracts consist of a basic form of group annuity contract (the "Group Contract"), a basic form of certificate ("Certificate") issued under the Group Contract, and in the case of the New Series Contracts, forms of Certificate endorsements ("Endorsements") to be used for specific forms of benefits under the Certificates. Certificates may be issued as individual contracts in certain states. The Contracts will be offered in the tax-qualified retirement plan markets and in non-qualified markets.

6. Equico, a wholly-owned subsidiary of Equitable, is the principal underwriter of the Separate Account and distributor of the Contracts. In the future, Equitable may organize other wholly-owned subsidiaries which are members of the National Association of Securities Dealers, Inc., and may act as principal underwriters for the Separate Account or Other Accounts (each, a "Future Underwriter"). Equico is, and any Future Underwriter will be, registered as a broker-dealer under the Securities Exchange Act of 1934.

7. Equitable will deduct various fees and expenses under the Contracts. Except as otherwise noted, the charges and fees described below are the maximums that may be imposed under the Contracts. Different charge structures may apply to different markets, and some charges that apply to the New Series Contracts do not apply to the 1995 Series Contracts.

8. Deductions from account value include charges for (i) administration of the Contracts, (ii) loan processing, (iii) transfers among Investment Options and third party transfers and exchanges, (iv) premium taxes, and (v) distribution expenses through a contingent deferred sales charge ("withdrawal charge").

9. Equitable may deduct an annual contract fee up to a maximum of \$65 per contract year for administration of the New Series Contracts. Equitable currently intends to charge the lesser of \$30 per contract year or 2% of account value for the first two contract years, and \$30 per contract year thereafter under the New Series Contracts, and the lesser of \$30 or 2% of account value in each contract year under the 1995 Series Contracts. Equitable has reserved the right to eliminate this charge for Certificates that have a specified minimum account value.

10. In markets that permit loans, Equitable has reserved the right, under the New Series Contracts, to assess a maximum loan set-up charge equal to the lesser of \$150 or 1% of the loan

amount, and a maximum loan recordkeeping charge of \$65 per year.

11. Equitable may impose a charge for any transfer among Investment Options up to \$65 per transfer under the New Series Contracts. Equitable currently makes no charge for transfers. Under the New Series Contracts, Equitable also may charge up to \$65 for a direct transfer to a third party of amounts under a Certificate or an exchange for another contract of another insurance carrier. Equitable currently intends to charge \$25 for such transfers or exchanges.

12. Although Equitable's current practice is to deduct a charge for premium taxes from the amount applied to provide an annuity benefit, it has reserved the right to deduct any such charge from contributions or from amounts withdrawn or surrendered. Equitable does not expect to profit from this charge.

13. Equitable also may assess a daily asset-based administrative charge against the Separate Account at an effective annual rate not to exceed .30% for administrative expenses associated with the New Series Contracts and .25% for administrative expenses associated with the 1995 Series Contracts.

14. Applicants do not expect that, over the period that the Contracts are in force, the total revenues from the administrative charges, including the annual contract fee, the daily asset-based administrative charge and, for the New Series Contracts, the loan processing charge and the transfer charges, will exceed the expected costs of the administrative services rendered under the 1995 Series or New Series Contracts, on average, excluding costs which are properly categorized as distribution expenses.

15. Equitable may assess each Investment Fund of the Separate Account a daily asset-based charge for mortality and expense risks not to exceed an effective annual rate of 1.25% (.65% for mortality risks and .60% for expense risks) under the New Series Contracts, and 1.15% (.60% for mortality risks and .55% for expense risks) under the 1995 Series Contracts.

16. Equitable assumes a mortality risk by its contractual obligation to pay a death benefit equal to the greater of (i) the account value as of the date Equitable receives due proof of death or (ii) the total value of all contributions made, less any applicable taxes, adjusted for withdrawals. Equitable assumes an additional mortality risk by its contractual obligation to make annuity payments for the entire life of the annuitant under guaranteed fixed annuity options involving life

contingencies, and by its contractual guarantees related to annuity purchase rates. Equitable also assumes a mortality risk by its contractual obligation to waive the withdrawal charge upon payment of the death benefit.

17. Equitable assumes the expense risk that the administrative charges deducted under the Contracts may be insufficient to cover actual administrative expenses.

18. Equitable expects a profit from the mortality and expense risk charge, and if the amount deducted proves more than sufficient, the excess will be profit to Equitable. If the administrative charges and the mortality and expense risk charge are insufficient to cover the expenses and costs assumed, the loss will be borne by Equitable.

19. No front-end sales charge will be imposed when contributions are made. A withdrawal charge will be assessed against certain full or partial withdrawals. Different withdrawal charges will apply to different markets. Under the New Series Contracts, the withdrawal charge will be no greater than either: (i) 7% of the amount withdrawn, declining to 0% at the end of the fifteenth contract year (subject to a maximum of 8% of all contributions made during the current and nine prior contract years); or (ii) 8% of contributions received in the current and eleven prior contract years. Under the 1995 Series Contracts, the withdrawal charge will be no greater than either: (i) 6% of the amount withdrawn, declining to 0% at the end of the twelfth contract year; or (ii) 6% of contributions received in the current and five prior contract years. Equitable has reserved the right to waive the withdrawal charge with respect to amounts withdrawn up to 30% of the account value at the time of the withdrawal (less any amounts previously withdrawn in that contract year) under the New Series Contracts, and up to 10% of the account value under the 1995 Series Contracts.

20. The amounts obtained from the withdrawal charge will be used to reimburse Equitable for sales expenses including commissions and other promotional or distribution expenses associated with printing and distributing prospectuses and sales literature. To the extent the withdrawal charge is insufficient to cover the actual costs of distribution, the expenses will be paid from Equitable's general assets, which will include profit, if any, derived from the mortality and expense risk charge.

Applicants' Legal Analysis

1. Applicants request that the Commission, pursuant to Section 6(c) of the 1940 Act, grant exemptions from Section 26(a)(2)(C) and 27(c)(2) thereof to the extent necessary to permit the assessment of a mortality and expense risk charge under the Contracts and Other Contracts.

2. Section 6(c) of the 1940 Act, in relevant part, provides that the Commission may issue an order exempting any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the 1940 Act as may be 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.

3. Applicants believe that the requested exemptions meet the standards of Section 6(c) of the 1940 Act, and that the terms of the relief requested with respect to any Other Contracts funded by the Separate Account or any Other Account and distributed by Equico or any Future Underwriter are consistent with the standards set forth in Section 6(c) of the 1940 Act.

4. Applicants undertake that the Other Contracts funded by the Separate Account or any Other Account will be substantially similar in all material respects to the Contracts. Applicants state that, without the requested relief, Applicants may have to request and obtain exemptive relief in connection with Other Contracts and/or Other Accounts to the extent required. Any such additional requests for exemptive relief would present no issues under the 1940 Act that have not been addressed already in this Application.

5. Applicants submit 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 Equitable to file redundant exemptive applications, thereby reducing its administrative expenses and maximizing the efficient use of its resources. The delay and expense involved in having to seek exemptive relief repeatedly would impair Equitable's ability effectively to take advantage of business opportunities as they arise. If Equitable were required repeatedly to seek exemptive relief with respect to the same issues addressed in this Application, investors would not receive any benefit or additional protection thereby. Indeed, they might be disadvantaged as a result of

Equitable's increased overhead expenses.

6. Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act prohibit a registered unit investment trust, and any depositor thereof or principal underwriter therefor, from selling periodic payment plan certificates unless the proceeds of all payments (other than sales load) are deposited with a qualified trustee or custodian and held under an agreement that provides that no payment to the depositor or principal underwriter shall be allowed except as a fee, not exceeding such reasonable amount as the Commission may prescribe, for bookkeeping and other administrative services.

7. Applicants represent that the level of the mortality and expense risk charge is within the range of industry practice for comparable annuity contracts. This representation is based on Applicants' review of publicly available information regarding products of other companies, taking into consideration such factors as: Guaranteed minimum death benefits; the existence of guaranteed annuity purchase rates; market sector; current charge levels; the existence of charge level guarantees; and the manner in which charges are imposed. Equitable represents that it will maintain at its principal office, and make available on request to the Commission or its staff, a memorandum setting forth in detail the variable annuity products analyzed and the methodology and results of Equitable's comparative review.

8. Applicants acknowledge that the withdrawal charge may be insufficient to cover all distribution costs relating to either the 1995 Series or the New Series Contracts, and that if a profit is realized over time from the mortality and expense risk charge, all or a portion of the mortality and expense risk charge might be viewed as providing for a portion of these distribution costs. Notwithstanding the foregoing, Equitable has concluded that there is a reasonable likelihood that the proposed distribution financing arrangements will benefit the Separate Account and Contract owners. Equitable represents that it will maintain at its principal office and make available on request to the Commission or its staff, a memorandum setting forth the basis for that conclusion.

9. Similarly, Applicants represent, with respect to any Other Contracts, that the mortality and expense risk charges under any Other Contracts will be within the range of industry practice for comparable products and that, with regard to such Other Contracts, there will be a reasonable likelihood that the proposed distribution financing

arrangements will benefit the Separate Account (or Other Account) and owners of the Other Contracts. Equitable will maintain and make available on request to the Commission or its staff a memorandum setting forth in detail the products analyzed, and the methodology and results of, the comparative review.

10. Equitable also represents that the Separate Account will invest only in an underlying mutual fund which would undertake, in the event it should adopt any plan under Rule 12b-1 to finance distribution expenses, to have such plan formulated and approved by a board of directors, a majority of the members of which are not "interested persons" of such fund within the meaning of Section 2(a)(19) of the 1940 Act.

Conclusion

Applicants submit, for the reasons stated herein, that the requested exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to permit the assessment of the mortality and expense risk charge under the Contracts and Other Contracts meet the standards set out in Section 6(c) of the 1940 Act. Accordingly, Applicants assert that the requested exemptions are 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.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-17451 Filed 7-14-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2785]

Kentucky, Declaration of Disaster Loan Area; (Amendment #1)

The above-numbered Declaration is hereby amended, effective June 23, to include the following counties in the State of Kentucky as a disaster area due to damages caused by severe wind and hail storm, torrential rain, and flooding which occurred May 13 through May 19, 1995: Carter, Christian, Elliot, Floyd, Laurel and Pike.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the previously designated location: Boyd, Caldwell, Clay, Greenup, Hopkins, Jackson, Johnson,

Knott, Knox, Lawrence, Letcher, Magoffin, Martin, McCreary, Muhlenberg, Pulaski, Rock Castle, Todd, Trigg, and Whitley Counties in Kentucky; Mingo County in West Virginia; Buchanan, Dickenson, and Wise Counties in Virginia; and Steward and Montgomery Counties in Tennessee.

Any counties contiguous to the above-named primary counties and not listed herein have been previously declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is August 12, 1995, and for loans for economic injury the deadline is March 13, 1996.

The economic injury numbers are 854200 for Kentucky, 856500 for West Virginia, 856600 for Virginia, and 856700 for Tennessee.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 6, 1995.

James W. Hammersley,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 95-17375 Filed 7-14-95; 8:45 am]

BILLING CODE 8025-01-M

[Declaration of Disaster Loan Area #2794

Maryland, and Contiguous Counties in Pennsylvania and West Virginia; Declaration of Disaster Loan Area

Allegany County and the contiguous counties of Garrett and Washington in the State of Maryland; Bedford, Fulton, and Somerset Counties in Pennsylvania; and Hampshire, Mineral, and Morgan Counties in West Virginia constitute a disaster area as a result of damages caused by heavy rains and flooding which occurred on June 27 and June 30, 1995. Applications for loans for physical damage may be filed until the close of business on September 11, 1995, and for economic injury until the close of business on April 11, 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 rates are:

	Percent
For physical damage:	
Homeowners with credit available elsewhere	8.000
Homeowners without credit available elsewhere	4.000
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000

	Percent
Others (including non-profit organizations) with credit available elsewhere	7.125
For economic injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The numbers assigned to this disaster for physical damage are 279406 for Maryland; 279506 for Pennsylvania; and 279606 for West Virginia. For economic injury the numbers are 856200 for Maryland; 856300 for Pennsylvania; and 856400 for West Virginia. Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008).

Dated: July 11, 1995.

Cassandra M. Pulley,

Acting Administrator.

[FR Doc. 95-17429 Filed 7-14-95; 8:45 am]

BILLING CODE 8025-01-M

[Declaration of Disaster Loan Area #2793]

Virginia; Declaration of Disaster Loan Area

As a result of the President's major declaration on July 1, 1995, and amendments thereto on July 3 and July 6, I find that the following counties and independent cities in the Commonwealth of Virginia constitute a disaster area due to damages caused by severe storms and flooding beginning on June 22, 1995 and continuing: Albermarle, Augusta, Campbell, Culpepper, Giles, Green, Halifax, Madison, Orange, Pittsylvania, Rappahannock, Rockbridge, and Warren Counties, and the Independent Cities of Buena Vista, Lexington, Lynchburg, Roanoke, and Staunton. Applications for loans for physical damages may be filed until the close of business on August 29, 1995, and for loans for economic injury until the close of business on April 3, 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. In addition, applications for economic injury loans from small businesses located in the following contiguous counties and independent cities may be filed until the specified date at the above location: Alleghany, Amerst, Appomattox, Bedford, Bland, Botetourt, Buckingham, Charlotte, Clarke, Craig, Fauquier, Fluvanna, Franklin, Frederick, Henry, Highland, Louisa, Mecklenburg, Montgomery, Nelson, Page, Pulaski, Roanoke, Rockingham, Shenandoah, Spotsylvania, and Stafford Counties and