meeting of the Federal Salary Council will be held at the time and place shown below. At the meeting the Council will continue discussing issues relating to locality-based comparability payments authorized by the Federal Employees Pay Comparability Act of 1990 (FEPCA). The meeting is open to the public.

DATE: December 12, 1995, at 10:00 a.m.

ADDRESS: Office of Personnel Management, 1900 E Street NW., Room 7B09, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Ruth O'Donnell, Chief, Salary Systems Division, Office of Personnel Management, 1900 E Street NW., Room 6H31, Washington, DC 20415–0001. Telephone number: (202) 606–2838.

For the President's Pay Agent.

Lorraine A. Green,

Deputy Director.

[FR Doc. 95–28716 Filed 11–22–95; 8:45 am]

BILLING CODE 6325–01–M

RAILROAD RETIREMENT BOARD

Verification of Railroad Unemployment and Sickness Claims

AGENCY: Railroad Retirement Board.

ACTION: Notice.

SUMMARY: The Railroad Retirement Board (RRB) is announcing a change in the number of days provided for railroad employers to submit information about claims for unemployment and sickness benefits prior to the agency's decision to pay or deny benefits. For a one-year period, employers will be allowed 3 business days, rather than 7 calendar days, from the date of the RRB's notice of a claim to submit information about the claim before the agency decides to pay or deny benefits. For purposes of this action, a ''business day'' is defined as any of the days Monday through Friday which are not observed as official holidays by the United States Government.

DATES: The test program announced by this notice will commence January 2, 1996.

ADDRESSES: Comments concerning this action may be submitted within 30 days from the date of publication to John L. Thoresdale, Director of Unemployment and Sickness Insurance, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611.

FOR FURTHER INFORMATION CONTACT: John L. Thoresdale, Director of Unemployment and Sickness Insurance, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611, 312–751–4800.

SUPPLEMENTARY INFORMATION: Section 5(b) of the Railroad Unemployment Insurance Act (45 U.S.C. 355(b)) provides, in part, that ''When a claim for benefits is filed with the Board, the Board shall provide notice of such claim to the claimant's base year employer or employers and afford such employer or employers an opportunity to submit information relevant to the claim before making an initial determination on the claim.'' Section 3256 of the Board's regulations authorize the establishment of procedures to obtain information about benefit claims from railroad employers. These procedures have allowed employers 7 calendar days for submission of information before the RRB decides to pay or deny benefits.

The Joint Committee on Rail Labor and Rail Management recently requested the RRB to reduce the time period allowed for employers to respond to notices of claims from 7 days to 3 days. At the conclusion of the test period, the Board will determine whether to implement the 3-day verification period for the future.

Dated: November 8, 1995.

By Authority of the Board.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 95–28670 Filed 11–22–95; 8:45 am]

BILLING CODE 7905–01–M

COMMISSION ON PROTECTING AND REDUCING GOVERNMENT SECRECY

Notice of Meeting

This notice announces the fifth in a series of public meetings of the Commission on Protecting and Reducing Government Secrecy. Pursuant to Title IX of Public Law 103–236, dated April 30, 1994, the Commission consists of twelve members, four appointed by the President, two each by the Speaker of the House and the House Minority Leader, and two each by the Senate Majority and Minority Leaders. The Commission will remain in effect for two years from the date of its first meeting.

Time and Date: 10:00 a.m., December 6, 1995.

Place: S–116, Committee on Foreign Relations Hearing Room, The Capitol.

Status: Open.

Agenda: 1. Mr. Peter D. Saderholm, Director, Security Policy Board Staff, on Board structure and activities, including implementation of Executive Orders 12958 and 12968 and recommendations of the Joint Security Commission.

Contact Person for more Information: Eric R. Biel, Staff Director, Commission on Protecting and Reducing Government Secrecy, (202) 776–8725; FAX: (202) 776–8773.

Eric R. Biel,

Staff Director, Commission on Protecting and Reducing Government Secrecy.

[FR Doc. 95–28657 Filed 11–22–95; 8:45 am]

BILLING CODE 6820–ER–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–21501; 812–9678]

Fortis Advantage Portfolios, Inc., et al.; Notice of Application

November 13, 1995.

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

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

APPLICANTS: Fortis Advantage Portfolios, Inc., Fortis Equity Portfolios, Inc., Fortis Fiduciary Fund, Inc., Fortis Worldwide Portfolios, Inc., Fortis Growth Fund, Inc., Fortis Money Portfolios, Inc., Fortis Securities, Inc., Fortis Series Fund, Inc., Fortis Tax-Free Portfolios, Inc., Fortis Income Portfolios, Inc., Special Portfolios, Inc. (collectively, the ''Funds''), and Lazard Frères & Co. LLC (''Lazard Frères'').

RELEVANT ACT SECTIONS: Order requested under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, and under section 6(c) for an exemption from section 17(e) of the Act and rule 17e–1 thereunder.

SUMMARY OF APPLICATIONS: Applicants request an exemption to permit each Fund to use certain securities dealers that are affiliated persons of affiliated persons (''second-tier affiliates''), solely because of subadvisory relationships with one or more other Funds, to engage in principal transactions with the Fund. The order also would permit a Fund to use second-tier affiliates as brokers in connection with certain principal transactions and to pay commissions to such brokers without complying with the monitoring and recordkeeping requirements set forth in rule 17e–1.

FILING DATES: The application was filed on July 24, 1995 and amended on September 29, 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 December 8, 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 who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 500 Bielenberg, St. Paul, Minnesota, 55125.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942–0562, or Robert A. Robertson, Branch Chief, at (202) 942–0564 (Office of Investment Company Regulation, Division of Investment Management).

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

Applicants' Representations

1. The Funds are Minnesota corporations. Except for Fortis Securities, the Funds are open-end management investment companies registered under the Act. Fortis Securities is a closed-end management investment company registered under the Act. Fortis Advisers, a registered investment adviser under the Investment Advisers Act of 1940 (the ''Advisers Act''), serves as investment adviser to each of the Funds.

2. Applicants request that the relief sought in the application also apply to any other registered investment company, or separate portfolio thereof, that in the future (a) is a member of the Fortis group of investment companies as defined in rule 11a–3 under the Act, and (b) either (i) is advised by Fortis Advisers or any entity controlling, controlled by, or under common control with Fortis Advisers, or (ii) has its shares distributed by Fortis Investors, Inc. or any entity controlling, controlled by, or under common control with Fortis Investors.

3. Lazard Frères is registered as an investment adviser under the Advisers Act and as a broker-dealer under the Securities Exchange Act of 1934. Lazard Frères Asset Management, a separate operating division of Lazard Frères, Morgan Stanley Asset Management Limited, and Warburg Investment Management International Ltd. (collectively, the ''Subadvisers'') have contracted with Fortis Advisers to serve as subadvisers for three of the portfolios within Fortis Series Fund.

4. Applicants request relief to permit an ''Eligible Dealer,'' a hereinafter defined, to engage in principal transactions with a Fund in the ordinary course of business. An Eligible Dealer is a person that subadvises one or more Funds or Fund portfolios not engaging in the relevant principal transaction that conducts advisory and securities dealer operations via the same legal entity that is a second-tier affiliate of the Fund or Fund portfolio engaging in the transaction solely by reason of being a subadviser of one or more of the other Funds. An Eligible Dealer is not (a) an affiliated person of the Fund or Fund portfolio engaging in the transaction, (b) Fortis Advisers, or any other entity that in the future serves as investment adviser to the Fund or Fund Portfolio engaging in the transaction, or an affiliated person thereof, or (c) an officer, director, employee, promoter, or principal underwriter of any Fund or Fund portfolio, or an affiliated person of such officer, director, employee, promoter, or principal underwriter.

5. Applicants also request an exemption that would permit each Fund to use an ''Eligible Broker,'' as hereinafter defined, as broker in connection with the sale of securities to or by such Fund or Fund portfolio on a securities exchange. An Eligible Broker is a subadviser of one or more Funds or Fund portfolios that are not parties to the transactions, conducts advisory and brokerage operations through the same legal entity, and is a second-tier affiliate of the Fund or Fund portfolio engaging in the transaction solely by reason of subadvising one or more other Funds or Fund portfolios. The requested relief would permit the Fund or Fund portfolio engaging in the transaction to pay commissions, fees, or other remuneration to the Eligible Broker without complying with the requirements set forth in rules 17e–1(b)(3) and 17e–1(c).

6. With the exception of Lazard Frères Asset Management, each broker-dealer that is affiliated with a subadviser to a Fund is a separate legal entity from the subadviser. Lazard Frères Asset Management is a separate operating division of Lazard Frères. As the only subadviser that conducts its advisory operations through the same legal entity, Lazard Frères is currently the only entity that satisfies the definitions of Eligible Dealer and Eligible Broker.

Applicants' Legal Analysis

1. Applicants request an order under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act. Section 17(a), among other things, prohibits an affiliated person of a registered investment company, or affiliated person of such person, acting as principal, from selling to or purchasing from such registered company any security or other property.

2. Section 2(a)(3) of the Act defines ''affiliated person.'' Under this definition, each subadviser would be a second-tier affiliate of each Fund and Fund portfolio it does not manage, to the extent the Funds and Fund portfolios are deemed to be under common control with, and therefore an affiliated person of, each other Fund and each other portfolio of the Funds. Accordingly, relief from section 17(a) is required for an Eligible Dealer to engage in principal transactions with a Fund.

3. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provisions of the Act or of any rule 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. Section 17(b) of the Act provides that the SEC may exempt a transaction from section 17(a) of the Act if evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of the registered investment company concerned and with the general purposes of the Act. For the reasons discussed below, applicants believe that the proposed transactions meet the standards of sections 6(c) and 17(b).

4. Applicants believe that no element of self-dealing would be involved in the proposed transactions because the subadviser recommending the transaction would be dealing with an entity that in economic reality is a competitor of the subadviser. Applicants state that each transaction between a Fund and an Eligible Dealer would be the product of arms-length bargaining and that the subadviser recommending the transaction can neither lose nor gain financially on the basis of whether the transaction is beneficial or detrimental to the Eligible Dealer. Because the pecuniary interests of a subadviser would be solely and directly aligned with those of the Fund it subadvises, applicants argue, it is reasonable to conclude that the consideration to be paid to or received by such Fund in connection with a

principal transaction with an Eligible Dealer will be reasonable and fair.

5. Applicants also request relief under sections 6(c) and 17(b) for an exemption from section 17(a) to permit Lazard Frères to engage in principal transactions with registered investment companies, or portfolios of any registered investment company, of which Lazard Frères is, or becomes in the future, a second-tier affiliate solely because of its advisory or subadvisory relationship with other portfolios of that investment company or other investment companies under common control with that investment company.

6. Applicants furthermore request relief under section 6(c) for an exemption from section 17(e) of the Act and rule 17e–1 thereunder. Section 17(e)(2)(A) provides in relevant part that it shall be unlawful for any affiliated person of a registered investment company, or an affiliated person of such person, acting as broker in connection with the sale of securities to or by such company, to receive from any source a commission for effecting such transaction which exceeds the usual and customary broker's commission if the sale is effected on a securities exchange. When a subadviser is a second-tier affiliate of a Fund and conducts brokerage operations via the same legal entity, the brokerage component also is a second-tier affiliate of the Funds not subadvised by the subadviser. Consequently, transactions involving a Fund that are brokered by an Eligible Broker are subject to section 17(e)(2).

7. Rule 17e–1 provides that, for purposes of section 17(e)(2)(A), a commission shall be deemed as not exceeding the usual and customary broker's commission, if certain specified procedures are followed. These procedures include the requirement in rule 17e–1(b)(3) that a registered investment company's board of directors, including a majority of disinterested directors, determines, no less frequently than quarterly, that all transactions effected pursuant to the rule comply with procedures reasonably designed to provide that the brokerage commission is consistent with the standards set forth in the rule. The procedures also include the requirement in rule 17e–1(c) under the Act that the investment company maintain and preserve certain written records about each transaction effected pursuant to the rule.

8. Applicants believe that the proposed transactions raise no possibility of self-dealing or any concern that the Funds would be managed in the interest of the Eligible Brokers. A subadviser who recommends that an Eligible Broker act as broker to a particular transaction would neither lose nor gain financially on the basis of whether or not the transaction benefits the Eligible Broker, because the subadviser's only pecuniary interest in the transaction is its advisory fee, which is based on net assets under management. Accordingly, the subadviser would have no interest in benefitting Lazard Frères or any future Eligible Broker at the expense of the Fund or Funds it subadvises.

9. Applicants believe that under the circumstances the monitoring and recordkeeping provisions of rule 17e–1 would be unduly burdensome to the Funds. Applicants believe that the situations contemplated by the relief are similar to the arms-length bargaining that normally prevails when an investment adviser acts on behalf of an investment company. Accordingly, applicants believe that the proposed transactions meet the standards of section 6(c) because they are 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.

10. Applicants also request relief under section 6(c) from section 17(e) and rule 17e–1 to permit Lazard Frères to receive commissions from any registered investment company or portfolio thereof for which Lazard Frères is, or becomes in the future, a second-tier affiliate solely because of its advisory or subadvisory relationship with other portfolios of the same investment company or other investment companies under common control with the investment company, without compliance with the requirements of 17e–1 (b)(3) and (c). For the reasons discussed above, applicants believe that the proposal meets the section 6(c) standard.

Applicants' Condition

Applicants agree that the requested order is subject to the condition that, with respect to any brokerage transactions conducted in reliance on the requested order, applicants will comply with all of the provisions of rule 17e–1 except those of rule 17e–1 (b)(3) and (c).

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–28615 Filed 11–22–95; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 21502; International Series Release No. 885; 812–8654]

Merrill Lynch, Pierce, Fenner & Smith Incorporated, et al.; Notice of Application

November 13, 1995.

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

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

APPLICANTS: Merrill Lynch, Pierce, Fenner, & Smith Incorporated (''Merrill Lynch''), Smith Barney Inc., Prudential Securities Incorporated, Dean Witter, Reynolds Inc., PaineWebber Incorporated, Corporate Income Fund, Equity Income Fund, The Fund of Stripped (''Zero'') U.S. Treasury Securities, Government Securities Income Fund, International Bond Fund, The Merrill Lynch Fund of Stripped (''Zero'') U.S. Treasury Securities, The Mortgage-Backed Income Fund, Defined Asset Funds, Municipal Investment Trust Fund, and The Tax-Exempt Mortgage Fund.

RELEVANT ACT SECTIONS: Order requested under section 6(c) from section 26(a)(2)(D) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit the trustees for certain unit investment trusts to deposit trust assets in the custody of foreign banks and securities depositories.

FILING DATE: The application was filed on October 27, 1993 and amended on May 23, 1995, August 10, 1995, and October 23, 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 December 8, 1995, and should be accompanied by proof of service on the 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, N.W., Washington, D.C. 20549. Applicants, c/o Merrill Lynch, Pierce, Fenner & Smith Incorporated, Unit Investment Trusts, P.O. 9051, Princeton, New Jersey 08543–9051.