

Dated: February 1, 1996.  
Edward A. Frankle,  
*General Counsel.*  
[FR Doc. 96-3153 Filed 2-12-96; 8:45 am]  
BILLING CODE 7510-01-M

## NUCLEAR REGULATORY COMMISSION

[Docket No. 50-390]

### Watts Bar Nuclear Plant, Unit 1, Tennessee Valley Authority; Notice of Issuance of Facility Operating License

Notice is hereby given that the U.S. Nuclear Regulatory Commission (the Commission), has issued Facility Operating License No. NPF-90 (the license) to Tennessee Valley Authority (the licensee). This license authorizes operation of the Watts Bar Nuclear Plant, Unit 1 (the facility), by the licensee at reactor core power levels not in excess of 3411 megawatts thermal in accordance with the provisions of the license, the Technical Specifications (Appendix A to the license), and the Environmental Protection Plan (Appendix B to the license).

Watts Bar Nuclear Plant, Unit 1, is a pressurized-water nuclear reactor located at the licensee's site on the west bank of Chickamauga Lake in Rhea County, Tennessee.

The application for the license complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. The Commission has made appropriate findings as required by the Act and the Commission's regulations in 10 CFR Chapter I, which are set forth in the license. Prior public notice of the overall action involving the proposed issuance of an operating license was published in the Federal Register on December 27, 1976 (41 FR 56244).

The Commission has determined that the issuance of this license will not result in any environmental impacts other than those evaluated in the Final Environmental Statement (NUREG-0498), and Supplement 1, since the activity authorized by the license is encompassed by the overall action evaluated in the Final Environmental Statement.

Pursuant to 10 CFR 51.52, the Commission has determined that the issuance of exemptions included in this license will have no significant impact on the environment. These determinations were published in the Federal Register on April 18, 1985 (50 FR 15516) and April 25, 1995 (60 FR 20291).

For further details with respect to this action, see (1) Facility Operating License No. NPF-90 with appendices stated above; (2) the Commission's Safety Evaluation Report (NUREG-0847) dated June 1982, and Supplements 1 through 20; (3) the licensee's Final Safety Analysis Report as amended to Amendment No. 91; (4) The licensee's Environmental Report and supplements thereto; and (5) the Commission's Final Environmental Statement (NUREG-0498) dated December 1978 and Supplement 1 dated April 1995. These items are available at the NRC's Public Document Room, the Gelman Building, 2120 L Street NW., Washington, D.C. 20555, and at the local public document room, Chattanooga-Hamilton County Library, 1001 Broad Street, Chattanooga, Tennessee 37402. A copy of the Facility Operating License No. NPF-90 may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Reactor Projects I/II. Copies of the Safety Evaluation Report (NUREG-0847) and Supplements 1-20, and the Final Environmental Statement (NUREG-0498) and Supplement 1 may be purchased at current rates from the National Technical Information Service, Department of Commerce, 5285 Port Royal Road, Springfield, Virginia 22161, or by writing to the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7954 (telephone no. 202-512-1800). All orders should clearly identify the NRC publication number and the requestor's GPO deposit account, or VISA or Mastercard number and expiration date.

Dated at Rockville, Maryland, this 7th day of February 1996.

For the Nuclear Regulatory Commission.  
Peter S. Tam,  
*Senior Project Manager, Project Directorate II-3, Division of Reactor Projects I/II.*  
[FR Doc. 96-3123 Filed 2-12-96; 8:45 am]  
BILLING CODE 7590-01-P

## PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

### Public Information Collection Requirements Submitted to OMB for Review

DATE: February 13, 1996.

PADC has submitted the following extension of a public information collection requirement to OMB for review and clearance under the Paperwork Reduction Act of 1980, Public Law 96-511 (44 U.S.C. Ch. 35).

Copies of the submission may be obtained by calling the PADC clearance offer listed. Send comments to the OMB reviewer listed and to the PADC clearance officer.

Pennsylvania Avenue Development Corporation

OMB Number: 3208.

Form Number: 3208-003.

Title: Affirmative Action Quarterly Workforce Report.

Description: Under the authority of the Pennsylvania Avenue Development Corporation Act, as amended (Pub. L. 92-578), and PADC's Affirmative Action Policy and Procedure (36 CFR Part 906), PADC has requested the developer of the Federal Triangle site in Washington, DC to obtain, on a voluntary basis, detailed statistics of racial and ethnic composition workforce on the project.

Respondents: Construction Contractors.

Annual Reporting and Recordkeeping Burden: a. Number of respondents—75 construction contractors quarterly. b. Hours to fill out one form quarterly—one hour maximum.

Clearance Officer: Talbot J. Nicholas II, Attorney, (202) 724-9055, PADC, Suite 1220-North, 1331 Pennsylvania Avenue, NW., Washington, DC 20004.

OMB Reviewer: Nora Neureiter, (202) 395-7860, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, 726 Jackson Place, NW. (Room 10202), Washington, DC 20503.

Dated: January 31, 1996.  
Lester M. Hunkele III,  
*Executive Director.*  
[FR Doc. 96-3089 Filed 2-12-96; 8:45 am]  
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## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-21738; No. 812-9752]

### IDS Life Insurance Company, et al.

February 7, 1996.

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

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

APPLICANTS: IDS Life Insurance Company ("IDS Life") and IDS Life Variable Account 10 (the "Variable Account").

RELEVANT 1940 ACT SECTIONS: Order requested pursuant to Section 6(c) of the 1940 Act granting exemptions from the

provisions of 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 from the assets of (a) the Variable Account in connection with the offer and sale of certain variable annuity contracts ("Existing Contracts"); (b) the Variable Account in connection with the issuance of variable annuity contracts that are substantially similar in all material respects to the Existing Contracts ("Future Contracts," together with Existing Contracts, the "Contracts"); and (c) any other separate account established in the future by IDS Life in connection with the issuance of Contracts ("Future Accounts").

**FILING DATE:** The application was filed on September 7, 1995, and amended on December 21, 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 March 4, 1996, and must 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, Securities and Exchange Commission, 450 5th Street NW., Washington, DC 20549. Applicants, c/o Mary Ellyn Minenko, Counsel, IDS Life Insurance Company, IDS Tower 10, Minneapolis, Minnesota 55440.

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

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

#### Applicants' Representations

1. IDS Life is a stock life insurance company, organized under the laws of the State of Minnesota, which conducts life insurance business in the District of Columbia and all states except New York. IDS Life is a wholly-owned

subsidiary of American Express Financial Corporation, which is a wholly-owned subsidiary of American Express Company. IDS Life, which will serve as the principal underwriter for the Variable Account, is registered as a broker-dealer pursuant to the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc.

2. The Variable Account was established on August 23, 1995, as a separate account pursuant to the laws of the State of Minnesota. The Variable Account is registered with the Commission pursuant to the 1940 Act as a unit investment trust and will be used to fund the Existing Contracts.

3. The Existing Contracts are available for purchase in connection with retirement plans that qualify for federal tax advantages available pursuant to the Internal Revenue Code ("qualified contracts") or for plans that do not so qualify ("non-qualified contracts").

4. The Existing Contracts provide for the accumulation of contract values and payment of annuity benefits on a fixed and/or variable basis. Purchase payments may be directed to the general account of IDS Life pursuant to a fixed account option (the "Fixed Account"), the Variable Account, or allocated between them. Existing Contracts may be purchased with either an initial purchase payment, of at least \$2,000 for nonqualified contracts and \$1,000 for qualified contracts, or installment payments. Additional purchase payments may be made in accordance with certain requirements.

5. The Variable Account currently has six subaccounts ("Subaccounts"), each of which will invest solely in the shares of one of the corresponding funds of a registered open-end management investment company managed by IDS Life (the "Funds"). IDS Life plans to create additional subaccounts and/or variable accounts to invest in additional Funds which will be available as future investment options.

6. Prior to the retirement date, the owner of an Existing Contract can, at any time, transfer all or part of the contract value held in one or more of the Subaccounts or the Fixed Account to another Subaccount or the Fixed Account. However, if an owner of an Existing Contract has made a transfer from the Fixed Account to a Subaccount, the contract owner may not transfer from any Subaccount back to the Fixed Account until the next contract anniversary. Once annuity payments begin, no transfers may be made to or from the Fixed Account, but transfers may be made once per contract year among the Subaccounts.

7. The Existing Contracts provide that if the contract owner or the annuitant dies (or, for qualified annuities, if the annuitant dies) before annuity payments begin, IDS Life will pay the beneficiary a death benefit as follows:

(1) If death occurs before the 75th birthday of the owner or the annuitant, the beneficiary receives the greatest of:

(a) The contract value,  
(b) The contract value of the most recent sixth contract anniversary, minus any surrenders since that anniversary, or

(c) Purchase payments, minus any surrenders; or

(2) If death occurs on or after the owner's or annuitant's 75th birthday, the beneficiary receives the greater of:

(a) The contract value, or  
(b) The contract value as of the most recent sixth contract anniversary, minus any surrenders since that anniversary.

8. IDS Life will assess an annual contract administrative charge ("Administrative Charge") of \$30 on each contract anniversary or earlier when an Existing Contract is fully surrendered. IDS Life currently waives the Administrative Charge for any contract year in which total purchase payments under a contract, less any payments surrendered, equal or exceed \$25,000 on the contract anniversary. However, IDS Life reserves the right to assess the Administrative Charge against all Existing Contracts. The Administrative Charge reimburses IDS Life for the administrative costs attributable to the Existing Contracts, and does not apply after retirement payments begin.

9. Applicants represent that they rely on Rule 26a-1 under the 1940 Act in connection with the Administrative Charge.

10. Certain state and local governments impose taxes of up to 3.5 percent of premiums. IDS Life will make a charge against the contract value for any premium taxes to the extent the taxes are payable.

11. No sales charge is collected or deducted at the time purchase payments are made, pursuant to the Existing Contracts. IDS Life will, however, assess a contingent deferred sales charge ("CDSC") on certain full or partial surrenders. The amounts obtained from the CDSC will be used to help defray expenses incurred in connection with the sale of the Existing Contracts, including commissions and other promotional or distribution expenses associated with the printing and distribution of prospectuses and sales material. The CDSC applies to all purchase payments surrendered in the first eight contract years. The CDSC is

7 percent of any purchase payments surrendered during the first three contract years, then declines by 1 percent per year from 6 percent in the fourth year to 2 percent in the eighth year. No CDSC applies after 8 contract years. In addition, no CDSC applies to earnings under Existing Contracts, to minimum required distributions from certain qualified plans, to Existing Contracts settled using an annuity payout plan or to death benefits.

12. IDS Life assumes certain mortality risks through its contractual obligation to continue to make retirement payments for the entire life of the annuitant under annuity obligations which involve life contingencies. This assures each annuitant that neither the annuitant's own longevity nor an improvement in life expectancy generally will have an adverse effect on the retirement payments received under the Existing Contracts. IDS Life assumes additional mortality risks under the Existing Contracts through its contractual obligation to pay a death benefit upon the death of the owner or annuitant prior to the retirement date.

13. IDS Life assumes an expense risk because the Administrative Charge may be insufficient to cover actual administrative expenses, which include the costs and expenses of: processing purchase payments, retirement payments, surrenders and transfers; furnishing confirmation notices and periodic reports; calculating mortality and expense risk charges; preparing voting materials and tax reports; updating registration statements; and actuarial and other expenses.

14. As compensation for assuming mortality and expense risks, IDS Life will assess a daily charge ("Mortality and Expense Risk Charge") equaling 1.25 percent of the average daily net assets of the Subaccounts on an annual basis. Approximately two-thirds of this charge is for the assumption of the mortality risk and one-third is for the assumption of the expense risk. The Mortality and Expense Risk Charge cannot be increased during the life of the Existing Contracts and does not apply to the Fixed Account.

15. If the Mortality and Expense Risk Charge is insufficient to cover the expenses and costs assumed, the loss will be borne by IDS Life. Conversely, if the amount deducted proves more than sufficient, the excess will represent a profit to IDS Life. IDS Life expects to profit from the Mortality and Expense Risk Charge. The profit will be available to IDS Life for an proper corporate purpose including, among other things, payment of distribution expenses.

#### Applicant's Legal Analysis

1. Pursuant to Section 6(c) of the 1940 Act, the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the 1940 Act or from 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 1940 Act.

2. Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act prohibit a registered unit investment trust and any depositor thereof or underwriter therefor from selling periodic payment plan certificates unless the proceeds of all payments (other than sales load) are deposited with a qualified bank as trustee or custodian and held under arrangements which prohibit any payment to the depositor or principal underwriter except a fee, not exceeding such reasonable amount as the Commission may prescribe, for performing bookkeeping and other administrative services normally performed by the bank itself.

3. Applicants request an order pursuant to Section 6(c) of the 1940 Act exempting them from Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act to the extent necessary to permit the deduction of the Mortality and Expense Risk Charge from the assets of the Variable Account and any Future Accounts in connection with the Contracts.

4. Applicants represent that the level of the Mortality and Expense Risk Charge is within the range of industry practice for comparable variable annuity products. IDS Life has reviewed publicly available information about other annuity products taking into consideration such factors as current charge levels, charge guarantees, sales loads, surrender charges, availability of funds, investment options available under annuity contracts, and market sector. IDS Life represents that it will maintain at its executive office, and make available on request of the Commission or its staff, a memorandum setting forth its analysis, including its methodology and results.

5. Applicants represent that, prior to offering Future Contracts, they will conclude that any mortality and expense risk charge under such contracts (which cannot exceed in amount the Mortality and Expense Risk Charge) will be within the range of industry practice for comparable annuity contracts. IDS Life represents

that it will maintain at its executive office, and make available on request of the Commission or its staff, a memorandum setting forth its analysis, including its methodology and results.

6. Applicants acknowledge that, if a profit is realized from the Mortality and Expense Risk Charge, all or a portion of such profit may be available to pay distribution expenses not reimbursed under the Contracts. IDS Life has concluded that there is a reasonable likelihood that the proposed distribution financing arrangements will benefit the Variable Account (or Future Accounts) and owners of the Existing Contracts (or Future Contracts). The basis for such conclusion is set forth in a memorandum which will be maintained by IDS Life at its executive office and will be available to the Commission or its staff on request.

7. IDS Life represents that the Variable Account, or future accounts will invest only in underlying mutual funds which, in the event they should adopt any plan under Rule 12b-1 of the 1940 Act to finance distribution expenses, would have such a 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.

8. Applicants submit that their requires for exemptive relief for Future Contracts and Future Accounts would promote competitiveness in the variable annuity contract market by eliminating the need for redundant exemptive applications, thereby reducing Applicants' 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 their ability effectively to take advantage of business opportunities as they arise. Further, if Applicants 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.

#### Conclusion

For the reasons summarized 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.

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-3134 Filed 2-12-96; 8:45 am]

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[Release No. 34-36812; File No. SR-Amex-96-03]

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Options on the Networking Index**

February 6, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 23, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The American Stock Exchange, Inc. ("Amex" or the "Exchange") proposes to trade options on the Networking Index ("Index"), a new index developed by the Amex comprised of 15 computer and telecommunication networking stocks which are traded on the Amex, the New York Stock Exchange, Inc. ("NYSE"), or through the facilities of the National Association of Securities Dealers Automated Quotation system and are reported national market system securities ("NASDAQ/NMS"). In addition, the Amex proposes to amend Rule 901C, Commentary .01, to reflect that 90% of the Index's numerical value will be accounted for by stocks that meet the current criteria and guidelines set forth in Rule 915.

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below.

The self-regulatory organization has prepared summaries, set forth in Sections (A), (B) and (C) below, of the most significant aspects of such statements.

**(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

The Exchange proposes to trade standardized options on the Networking Index ("Index"), a modified equal-dollar weighted index developed by the Amex, representing a portfolio of large, actively traded computer and telecommunication networking stocks.

**1. Eligibility Standards for Index Components**

The Networking Index currently conforms with Exchange Rule 901C, which specifies criteria for inclusion of stocks in an index on which standardized options will be traded. In addition, the Index also currently conforms to all the criteria set forth in Rule 901C, Commentary .02, which provides for the commencement of trading of options on an index thirty days after the date of filing, with the exception that the Index is calculated using a modified version of the equal-dollar weighting method. Therefore, the component securities all meet the following eligibility standards: (1) They are traded on the Amex or NYSE, or are NASDAQ/NMS securities; (2) component stocks comprising the top 90% of the Index by weight have a minimum market capitalization of \$75 million, and those component stocks constituting the bottom 10% of the Index by weight have a market capitalization of at least \$50 million; (3) stocks constituting the top 90% of the Index by weight have minimum monthly volume of 1,000,000 shares over the six months preceding this filing, and stocks constituting the bottom 10% of the Index by weight have a minimum monthly volume of at least 500,000 shares over the six months preceding this filing. The Exchange will assure that upon quarterly rebalancing (1) at least 90% of the index's numerical index value and at least 80% of the total number of component securities individually will meet the then current criteria for standardized option trading set forth in Exchange Rule 915; (2) that no component security represent more than 25% of the weight of the Index; and (3) that the five highest weighted component securities in the index, in the aggregate, account for no more than 60% of the weight of the Index.

**2. Index Calculation**

The Index is calculated using a "modified equal-dollar weighting" methodology. Four of the fifteen component securities are given higher weightings to reflect their higher market capitalizations than the rest of the group, while not allowing them to dominate the Index to the extent they would in a straight market capitalization weighted Index. This method of calculation is important given the great disparity in market value of a few of the Index's components. It has been the Exchange's experience that options on market value weighted indexes dominated by relatively few component stocks are less useful to investors, since the index will tend to represent these few components and not the industry as a whole. At the same time, the increase in Index weight for the smaller, less liquid stocks is lower than if the index had been straight equal-dollar weighted; and the decrease in Index weight of the larger, more liquid stocks also is less dramatic than using straight equal-dollar weighting.

The following is a description of how the modified equal-dollar weighting calculation method works. As of the market close on October 20, 1995, a portfolio of networking stocks was established representing an investment of \$12,000 in each of the four highest capitalized stocks of the companies in the Index and \$4,727.27 in the 11 remaining stocks (rounded in the nearest whole share). The value of the Index equals the current market value (i.e., based on U.S. primary market prices) of the sum of the assigned number of shares of each of the stocks in the Index portfolio divided by the Index divisor. The Index divisor was initially determined to yield the benchmark value of 200.00 at the close of trading on October 20, 1995. Each quarter thereafter, following the close of trading on the third Friday of January, April, July and October, the Index portfolio will be ranked in descending market capitalization order and the Index portfolio adjusted by changing the number of whole shares of each component stock so that the four largest capitalized stocks in the Index each represents 12% of the Index value for a total of 48%, and the remaining 52% of the Index value is evenly distributed over the remaining securities. At the inception of the Index, each of the remaining 11 components had a weight of approximately 4.73%. The Exchange has chosen to rebalance following the close of trading on the quarterly expiration cycle because it allows an option contract to be held for up to three

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).