Environmental Assessment

Identification of the Proposed Action

The proposed action would change references to the National Pollutant Discharge Elimination System (NPDES) to reflect the correct permit title, Virginia Pollutant Discharge Elimination System (VPDES), eliminate references to vegetation and aquatic biota studies that were previously completed, correct a reference to 10 CFR 51.60(b)(2), replace the existing reporting requirements for unusual or important environmental events with the reporting requirements currently identified in 10 CFR 50.72(b)(2)(vi), replace the reference to the current Environmental Protection Plan (EPP) audit program with a reference to the Audit Program established in accordance with 10 CFR 50, Appendix B, revise the two year records retention requirement for erosion control inspection field logs to five years, change the reference to the State Water Control Board which is now the Department of Environmental Quality, identify the licensee's obligation to comply with Virginia regulations concerning erosion and sediment control within the transmission corridor rights-of-way to eliminate redundancy with previous EPP commitments, and recognize the Virginia Soil and Water Conservation Board as the regulatory authority concerning erosion within the transmission corridor rights-of-way.

The proposed action is in accordance with the licensee's application for amendment dated November 29, 1994.

The Need for the Proposed Action

The proposed action is needed to update each EPP to reflect current requirements, eliminate inconsistencies, and identify the proper regulatory agencies for certain environmental issues.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that the amendment will correct inconsistencies, identify current requirements, and identify the proper regulatory agencies within the North Anna Units 1 and 2 EPPs. The majority of the changes are administrative in nature and only serve to update or clarify the information currently contained in the EPPs. The change to increase the annual inspection interval for the transmission line corridor rights-of-way from once every 12 months to once every 3 to 5 years is being made to ensure uniformity with the licensee's other transmission corridor rights-of-way. In addition, the change is being made to identify current requirements imposed by the Virginia Soil and Water Conservation Board, which is responsible for reviewing and approving utility erosion and sediment control specifications.

The change will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in the allowable individual or cumulative occupational radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does involve features located outside the restricted area as defined in 10 CFR Part 20. It does not affect nonradiological plant effluents. There is the possibility of a potential environmental impact associated with the change to increase the annual inspection interval for the transmission corridor rights-of-way. There is the potential for erosion to undermine the bases of a transmission tower if left unchecked. However, the licensee has noted that the erosion identified to date has not been severe. In addition, severe erosion occurs over a period of time and would allow the licensee to take action to prevent any environmental impact. Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action are of a very low likelihood and therefore insignificant.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for the North Anna Power Station, Units 1 and 2.

Agencies and Persons Consulted

In accordance with its stated policy, on December 20, 1995, the staff consulted with the Virginia State official, L. Foldese, of the Virginia Department of Health, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of no Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated November 29, 1994, which is available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Alderman Library, Special Collections Department, University of Virginia, Charlottesville, Virginia 22903–2498.

Dated at Rockville, Maryland, this 9th day of February 1996.

For the Nuclear Regulatory Commission

David B. Matthews,

Director, Project Directorate II–1, Division of Reactor Projects - I/II, Office of Nuclear Reactor Regulation.

[FR Doc. 96–3549 Filed 2–15–96; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Rel. No. 21744; 812–9726]

AIM Equity Funds, Inc., et al.; Notice of Application

February 12, 1996.

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

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

APPLICANTS: AIM Equity Funds, Inc., AIM Funds Group, AIM International Funds, Inc., AIM Investment Securities Funds, AIM Strategic Income Fund, Inc., AIM Summit Fund, Inc., AIM Tax-Exempt Funds, Inc., AIM Variable Insurance Funds, Inc., Short-Term Investments Co., Short-Term Investments Trust, Tax-Free Investments Co. (collectively the ''Funds''); each investment portfolio of the Funds; and each other registered investment company or investment portfolio for which AIM Advisors, Inc. (''AIM Advisors'') or AIM Capital Management, Inc. (''AIM Capital

Management'') (collectively, the ''Advisers'') serves in the future as an investment adviser (collectively, with the Funds, the ''U.S. Portfolios''); Global Strategy Canada Growth Fund, Global Strategy U.S. Equity Fund, Short-Term Investments Company (Global Series) PLC (collectively, the ''Non-U.S. Registered Funds''); and each investment portfolio of the Non-U.S. Registered Funds; each other pooled investment fund advised or in the future advised by either of the Advisers not engaged in a public offering of their shares in the United States (collectively with the Non-U.S. Registered Funds, the ''Non-U.S. Registered Portfolios''); all existing private accounts, investment companies and other pooled investment funds and investment portfolios thereof that are exempt from registration as an investment company under the Act advised or in the future advised by either of the Advisers (the ''Private Accounts'') (the Non-U.S. Registered Portfolios and the Private Accounts are collectively referred to as the ''Additional Participants''); and the Advisers.

REVELANT ACT SECTION: Exemption requested under section 17(d) and rule 17d–1.

SUMMARY OF APPLICATION: Applicants seek to amend an existing order that permits applicants to participate in joint accounts for the purpose of investing in repurchase agreements with remaining maturities not to exceed 60 days, and certain other short-term money market instruments with remaining maturities not to exceed 90 days. The amended order would extend such prior order's applicability to include additional participants.

FILING DATE: The application was filed on August 22, 1995, and amended on December 14, 1995 and February 12, 1996.

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 March 8, 1996, 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 such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants, Eleven Greenway Plaza, Suite 1919, Houston, Texas 77046.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney at (202) 942–0574, or Alison E. Baur, Branch Chief, at (202) 942–0564, (Division of Investment Management, Office Investment Company Regulation).

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

Applicants' Representations

1. Each of the Funds is a registered management investment company for which AIM Advisors, a registered investment adviser, serves as investment adviser. AIM Capital Management, a wholly-owned subsidiary of AIM Advisors, also is a registered investment adviser and serves as subadviser to several portfolios of AIM Equity Funds, Inc., and as adviser to the Private Accounts.

2. Pursuant to a prior order (the ''Prior Order''),[1] the U.S. Portfolios and the Advisers were given the authority to establish joint trading accounts (''Joint Accounts''). The Prior Order permits the U.S. Portfolios to pool some or all of their cash balances into Joint Accounts for the purpose of investing in: (a) Repurchase agreements with remaining maturities not to exceed 60 days; and (b) other short-term money market instruments, including tax-exempt money market instruments, that constitute ''Eligible Securities'' within the meaning of rule 2a–7 under the Act with remaining maturities or deemed maturities (pursuant to rule 2a–7) not to exceed 90 days.

3. The requested order would amend the Prior Order and extend its applicability to the Additional Participants. The Joint Accounts would invest in any ''Investment'' as defined in condition 2 below. All Funds that currently intend to rely on the requested order are named as applicants.

4. A U.S. Portfolio or an Additional Participant would only purchase a security through the use of a Joint Account if such security was consistent with its investment objectives, policies and restrictions.[2] Subject to differences in investment objectives, the Board of Trustees/Directors of each Fund has established the same systems and standards for evaluating and acquiring Investments through the Joint Accounts. The Additional Participants will use the same systems and standards employed by the Funds.

5. Applicants contend that, if the requested order is granted, the U.S. Portfolios and the Additional Participants will be able to realize trading and administrative efficiencies in the management of their uninvested cash balances. By pooling these balances in the Joint Accounts, higher yields may be obtained and administrative costs may be saved, because a larger position can be purchased by a Joint Account than by any U.S. Portfolio or Additional Participant (each a ''Portfolio'' and, collectively, the ''Portfolios'') individually.

Applicants' Legal Analysis

1. Section 17(d) of the Act and rule 17d–1 thereunder prohibit an affiliated person of an investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. Each Portfolio may be deemed an ''affiliated person'' of each other Portfolio under the definition set forth in section 2(a)(3) of the Act. Each Portfolio participating in the proposed Joint Account and each of the Advisers could be deemed to be ''a joint participant'' in a transaction within the meaning of section 17(d). In addition, the Joint Accounts could be deemed to be a ''joint enterprise or other joint arrangement'' within the meaning of rule 17d–1.

2. The Board of Directors/Trustees of each Fund has determined that the Joint Account will not result in any conflicts of interest among the joint participants. Although the Advisers can gain some benefit through administrative convenience and possible reduction in clerical costs, the primary beneficiaries will be the participating Portfolios because the Joint Accounts may earn higher returns for the Portfolios and will be a more efficient means of administering investment transactions. The Boards of the Funds have determined that the operation of the Joint Accounts will be free of any inherent bias favoring one Portfolio over another. Prior to the participation by any Additional Participant in the Joint Accounts, the responsible persons of such Additional Participant must make findings similar to those made by the Boards of the Funds.

[1] Investment Company Act Release Nos. 20761 (Dec. 9, 1994) (notice) and 20821 (Jan. 4, 1995) (order).

[2] Currently, neither Global Strategy Canada Growth Fund nor Global Strategy U.S. Equity Fund may invest in repurchase agreements. Until they are permitted to invest in repurchase agreements, neither fund will participate in any Joint Account that invests in repurchase agreements in reliance on the requested order.

3. In passing upon applications under section 17(d) and rule 17d–1, the SEC considers whether participation in the proposed joint transaction by a registered investment company is consistent with the provisions, policies, and purposes of the Act, and not on a basis less advantageous than that of other participants. Applicants believe that the granting of the requested order is consistent with this standard.

Applicants' Conditions

Applicants consent to the following as express conditions to any order issued by the SEC in connection with this application:

1. Each Portfolio will transfer into one or more of the Joint Accounts the cash it wishes to invest through such Joint Accounts after the calculation of its daily cash available for investment and will specifically indicate whether the cash is to be used to purchase investments. The Joint Accounts will not be distinguishable from any other accounts maintained buy a Portfolio with its custodian bank except that monies from a Portfolio will be deposited on a commingled basis. The Joint Accounts will not have any separate existence and will not have indicia of separate legal entities. The sole function of the Joint Accounts will be to provide a convenient way of aggregating individual transactions which would otherwise require daily management by each Portfolio of its uninvested cash balances.

2. Cash in the Joint Accounts would be invested in one or more of the following, as directed by the Portfolio: (i) Repurchase agreements collateralized fully as defined in rule 2a–7 under the Act by: (a) U.S. Government obligations; (b) obligations issued or guaranteed as to principal and interest or otherwise backed by any of the agencies or instrumentalities of the U.S. Government; (c) certain obligations of the U.S. Government in the form of separately traded principal and interest components of securities issued or guaranteed by the U.S. Treasury; and (d) certain U.S. government agency securities such as mortgage-backed certificates issued by the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, representing ownership interests in mortgage pools; (ii) interest bearing or discounted commercial paper, including dollar denominated commercial paper of foreign issuers; and (iii) in any other short-term money market instruments, including tax-exempt money market instruments, that constitute ''Eligible Securities'' within the meaning of rule 2a–7 under the Act (collectively, the ''Investments''). No Portfolio would be permitted to invest in a Joint Account unless the Investments in such Joint Account satisfied the investment policies and guidelines of that Portfolio. Investments that are joint repurchase transactions would have a remaining maturity or deemed maturity of 60 days or less and other Investments would have a remaining maturity of 90 days or less, each as determined pursuant to rule 2a–7 under the Act.

3. All assets held by a Joint Account would be valued on an amortized cost basis to the extent permitted by applicable SEC release, rule, or order.

4. Each participating Portfolio valuing its assets in reliance upon rule 2a–7 under the Act will use the average maturity of the instrument(s) in the Joint Account in which such Portfolio has an interest (determined on a dollar weighted basis) for the purpose of computing that Portfolio's average portfolio maturity with respect to the portion of its assets held in such Joint Account on that day.

5. In order to assure that there would be no opportunity for one Portfolio to use any part of a balance of a Joint Account credited to another Portfolio, no Portfolio will be allowed to create a negative balance in a Joint Account for any reason, although it would be permitted to draw down its entire balance at any time. Each Portfolio's decision to invest in a Joint Account would be solely at its option, and no Portfolio will be obligated either to invest in a Joint Account or to maintain any minimum balance in a Joint account. In addition, each Portfolio would retain the sole rights of ownership to any of its assets invested in a Joint Account, including interest payable on such assets invested in such Joint Account.

6. The Advisers would administer the investment of the cash balances in and operation of the Joint Accounts as part of their duties under the general terms of each Portfolio's existing or any future investment advisory contract or sub-advisory contract (the ''Advisory Contracts'') and would not collect any additional or separate fees for advising any Joint Account. The operation of the Joint Accounts is not provided for specifically under each Portfolio's Advisory Contract, but rather is covered under the general terms of each such Contract. The Advisers would collect their fees based upon the assets of each separate Portfolio as provided in each respective Advisory Contract.

7. The administration of the Joint Accounts will be within the fidelity bond coverage required by section 17(g) of the Act and rule 17g–1 thereunder.

8. The Boards of Trustees/Directors of the Funds, the Corporate Trustee of the Non-U.S. Registered Funds and the responsible person of the Private Accounts (each a ''Board'' and collectively the ''Boards'') will adopt procedures pursuant to which the Joint Accounts will operate, which will be reasonably designed to provide that the requirements of the application will be met. Each of the Boards will make and approve such changes as it deems necessary to ensure that such procedures are followed. In addition, the Boards of each Portfolio will determine, no less frequently than annually, that the Joint Accounts have been operated in accordance with such procedures and will only permit a Portfolio to continue to participate therein if it determines that there is a reasonable likelihood that the Portfolio and its shareholders (or beneficiaries, as applicable) will benefit from the Portfolio's continued participation.

9. Any Investment made by a Portfolio or Portfolios through the Joint Accounts will satisfy the investment criteria of all Portfolios participating in that Investment.

10. The Advisers and the custodian of each Portfolio will maintain records documenting, for any given day, each Portfolio's aggregate investment in a Joint Account and each Portfolio's *pro rata* share of each Investment made through such Joint Account. The records maintained for each Portfolio that is a Fund or an investment portfolio thereof shall be maintained in conformity with section 31 of the Act and the rules and regulations thereunder. Each Portfolio that is not a registered investment company under the Act or an investment portfolio thereof shall make available to the SEC, upon request, books and records containing information related to its participation in the Joint Accounts.

11. Not every Portfolio participating in the Joint Accounts will necessarily have its cash invested in every Joint Account. However, to the extent a Portfolio's cash is applied to a particular Joint Account, the Portfolio will participate in and own a proportionate share of the Investment in such Joint Account, and the income earned or accrued thereon, based upon the percentage of such Investment in such Joint Account purchased with monies contributed by the Portfolio.

12. Investments held in a Joint Account generally will not be sold prior to maturity except: (a) If the Advisers believe that the Investment no longer presents minimal credit risk; (b) in the

case of commercial paper or tax-exempt securities, if as a result of a credit downgrading or otherwise, the Investment no longer satisfies the investment criteria of all Portfolios participating in that Investment; or (c) in the case of a repurchase agreement, if the counterparty defaults. A Portfolio may, however, sell its fractional portion of an Investment in a Joint Account prior to the maturity of the Investment in such Joint Account if the cost of such transaction will be borne solely by the selling Portfolio and the transaction would not adversely affect the other Portfolios participating in that Joint Account. In no case would an early termination be less than all participating Portfolios be permitted if it would reduce the principal amount or yield received by other Portfolios participating in a particular Joint Account or otherwise adversely affect the other participating Portfolios. Each Portfolio participating in such Joint Account will be deemed to have consented to such sale and partition of the Investment in such Joint Account.

13. Any Investment held through a Joint Account with a remaining maturity of more than seven days will be considered illiquid and, for any Portfolio that is an open-end management investment company registered under the Act, subject to the restriction that the Portfolio may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities, if the Portfolio cannot sell its fractional interest in the Investment in such Joint Account pursuant to the requirements described in the preceding condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3574 Filed 2–15–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21740; International Series Release No. 933; File No. 812–9792]

Banco Santander, S.A.; Notice of Application

February 12, 1996.

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

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

APPLICANT: Banco Santander, S.A. (the ''Bank'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act that would exempt applicant from section 17(f) of the Act.

SUMMARY OF APPLICATION: Applicant requests an order to permit Banco Santander de Negocios Mexico, S.A. (''BSNM'') to act as custodian for investment company assets in Mexico, Banco Santander S.A. (''BSA'') to act as custodian for investment company assets in Argentina, and Banco Santander de Negocios Portugal, S.A. (''BSNP'') (collectively, the ''Foreign Subsidiaries'') to act as custodian for investment company assets in Portugal.

FILING DATE: The application was filed on October 3, 1995 and amended on January 19, 1996.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on March 8, 1996 and should be accompanied by proof of service on the applicant, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, Paseo de la Castellana, 24, 28406 Madrid, Spain; c/o Nora M. Jordan, Davis Polk & Wardell, 450 Lexington Avenue, New York, New York 10017.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Staff Attorney, at (202) 942–0571, or Robert A. Robertson, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

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

Applicant's Representations

1. The Bank is a full-service commercial bank organized under the laws of Spain and regulated in that country by the Bank of Spain. The Bank, together with its subsidiaries and associated companies (the ''Group''), is engaged in a wide range of banking, financial, and related activities in Spain and has offices or subsidiaries in 30 other countries. The Group was, as of December 31, 1994, the largest commercial banking group in Spain in terms of total assets. As of December 31, 1994, the Bank had shareholders' equity of Ptas. 437.7 billion (U.S. $3.6 billion, based on the then current exchange rate), and the Group had shareholders' equity of Ptas. 519.9 billion (U.S. $4.0 billion, based on the then current exchange rate).

2. BSNM, BSA, and BSNP are wholly-owned indirect subsidiaries of the Bank. BSNM is incorporated and organized under the laws of Mexico and is regulated as a banking institution by Comisión Nacional Bancaria, which is the agency of the government of Mexico responsible for the regulation of banks. BSA is incorporated and organized under the laws of Argentina and is regulated as a banking institution by Banco Central de la Republica Argentina, which is the agency of the government of Argentina responsible for the regulation of banks. BSNP is incorporated and organized under the laws of Portugal and is regulated as a banking institution by Banco de Portugal, which is the agency of the government of Portugal responsible for the regulation of banks.

3. The Bank requests an order to permit the Bank, any investment company registered under the Act, other than those registered under section 7(d) of the Act (''U.S. Investment Companies''), and any custodian for a U.S. Investment Company, to maintain ''Foreign Securities,'' as defined below, cash, and cash equivalents (collectively, ''Securities'') in the custody of BSNM, BSA, and BSNP as delegates for the Bank in Mexico, Argentina, and Portugal, respectively. As used herein, ''Foreign Securities'' includes (a) securities issued and sold primarily outside the United States by a foreign government, a national of any foreign country, or a corporation or other organization incorporated or organized under the laws of any foreign country; and (b) securities issued or guaranteed by the government of the United States or by any state or any political subdivision thereof or by any agency thereof or by any entity organized under the laws of the United States or any state thereof which have been issued and sold primarily outside the United States.

Applicant's Legal Analysis

1. Section 17(f) of the Act requires every registered management investment company to place and maintain its securities and similar investments in the custody of certain enumerated entities, including a bank