ACTION: Notice of interest rates and assumptions.

SUMMARY: This notice provides information about interest rates and assumptions to be used for calculating the variable-rate premium payable to the Pension Benefit Guaranty Corporation and for valuing benefits in multiemployer plans following a mass withdrawal. These rates and assumptions are published elsewhere (or are derivable from rates published elsewhere); the PBGC furnishes the information in this notice simply for the convenience of the public. Interest rates are also published on the PBGC's home page (http://www.pbgc.gov).

DATES: The interest rate for determining the variable-rate premium under part 4006 applies to premium payment years beginning in August 1996. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in September 1996.

FOR FURTHER INFORMATION CONTACT: Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024 (202–326–4179 for TTY and TDD).

SUPPLEMENTARY INFORMATION:

Variable-Rate Premiums

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security Act of 1974 and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribes use of an assumed interest rate in determining a single-employer plan's variable-rate premium. The rate is a specified percentage (currently 80 percent) of the annual yield on 30-year Treasury securities for the month preceding the beginning of the plan year for which premiums are being paid (the ''premium payment year''). The yield figure is reported in Federal Reserve Statistical Releases G.13 and H.15.

The assumed interest rate to be used in determining variable-rate premiums for premium payment years beginning in August 1996 (*i.e.*, 80 percent of the yield figure for July 1996) is 5.62%. The following table lists the assumed interest rates to be used in determining variable rate premiums for premium payment years beginning in the one-year period ending with August 1996.

For premium payment years beginning in	The required interest rate is
September 1995	5.49
October 1995	5.24
November 1995	5.10
December 1995	5.01
January 1996	4.85
February 1996	4.84
March 1996	4.99
April 1996	5.28
May 1996	5.43
June 1996	5.54
July 1996	5.65
August 1996	5.62

Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in September 1996 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's Federal Register.

Issued in Washington, DC, on this 12th day of August 1996.

Martin Slate,

Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 96–20846 Filed 8–14–96; 8:45 am]

BILLING CODE 7708–01–P

POSTAL RATE COMMISSION

[Docket No. MC96–3; Order No. 1129]

Special Services Fees and Classifications

August 8, 1996.

ACTION: Notice of expansion of scope of docket.

SUMMARY: Notice is hereby given that on August 8, 1996, the Postal Rate Commission expanded the scope of this proceeding at the request of Nashua Photo Inc. and Mystic Color Lab to include consideration of classification modification with respect to Business Reply Mail. Previous notice of the scope of this proceeding was published in the Federal Register on June 21, 1996, 61 FR 31968–312001. Interested persons wishing to participate in this matter will be considered to have good cause for not submitting a notice of intervention prior to this date, and may request intervention pursuant to Commission Rules of Practice sections 20, 20a, and 20b. 39 CFR 3001.20, 3001.20a, 3001.20b.

ADDRESSES: Comments and correspondence should be sent to Margaret Crenshaw, Secretary of the Commission, 1333 H Street, NW., Suite 300, Washington, DC 20268–0001 (telephone: 202–789–6840).

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, Legal Advisor, Postal Rate Commission, 1333 H Street, NW., Washington, DC 20268–0001 (telephone: 202–789–6820).

SUPPLEMENTARY INFORMATION: On July 15, 1996, Nashua Photo Inc. and Mystic Color Lab (''Nashua/Mystic'') filed a motion to enlarge the scope of this proceeding to consider an alleged inequity in the fee structure for Business Reply Mail. Nashua Photo Inc. and Mystic Color Lab Motion to Enlarge Scope of Proceeding for Consideration of Classification Modification with Respect to Business Reply Mail, July 15, 1996 (''Motion''). Presiding Officer's Ruling MC96–3/4 certified the issues raised by the Motion to the full Commission. The Commission accepts certification, and grants the Nashua/Mystic Motion.

Nashua/Mystic request that this docket address the need to establish a category of Business Reply Mail (BRM) that would be eligible for a discounted advance deposit fee comparable to the current two-cent per-piece fee charged barcoded BRM. The Motion acknowledges that the BRM generated by Nashua and Mystic is not ''prebarcoded and automatable'' and that such mail cannot take advantage of the Postal Service's automated Business Reply Mail Accounting System (BRMAS). Motion at 3. It argues, however, that Nashua and Mystic have a system for processing their incoming bulk non-automatable BRM mail that reduces the Postal Service's BRM-related costs below those of mail processed by the BRMAS system. For this reason, it contends, mail processed in this manner should be eligible for a discounted BRM fee comparable to that charged for barcoded BRM. Id. at 2.

Parties' Arguments. The Motion alleges that the Postal Service's refusal to charge a discounted BRM fee that reflects the costs avoided when the business reply customer handles and accounts for its own incoming mail is due, in part, to the lack of a DMCS provision for such a discount. It argues that amending DMCS Rate Schedule SS–2 to provide for a ''non-automatable bulk'' discount category for BRM processed by bulk handling and accounting methods approved by the Postal Service would remedy the

inequity of the current fee structure. Motion at 3–4. It contends that the Commission has jurisdiction under § 3623(b) to recommend classification changes on its own initiative, and, therefore, has the authority to entertain the classification proposals of intervenors in this proceeding. It argues that this would promote the policies of the Act stated in § 3623(c)(1) (''the establishment of a fair and equitable classification schedule''), and § 3622(c)(5) (''the desirability of special classifications from the point of view of both the user and of the Postal Service''). The Motion argues that it would be inequitable not to provide them an opportunity to develop an evidentiary record supporting its proposal in this proceeding because it is the only proceeding dealing with special services that the Postal Service has indicated it will file in the foreseeable future. Id. at 5.

The Postal Service filed its answer to the Motion on July 24, 1996. Opposition of United States Postal Service to Nashua Photo Inc. and Mystic Color Lab Motion to Enlarge Scope of Proceeding for Consideration of Classification Modification with Respect to Business Reply Mail, July 24, 1996 (''Postal Service Opposition''). The Postal Service argues that the Motion should be rejected because its Request is a set of proposals to reclassify discreet special services that have nothing to do with Business Reply Mail. Postal Service Opposition at 4. It asserts that reviewing the BRM fee structure in this docket would be premature for both practical and policy reasons.

The Postal Service warns that the Commission might have to evaluate the Nashua/Mystic proposal on an underdeveloped record, since the data necessary are not yet available. It urges that the Nashua/Mystic proposal be deferred, because relevant data ''are expected to be developed during the coming months'' as part of a comprehensive review of its BRM program's costs and business processes. It argues that evaluation of the Nashua/Mystic proposal is likely to delay processing of its proposals in this docket, since it is likely to raise a wide range of novel and contentious issues, including whether a bulk discount should be offered to both automated and non-automated BRM, and the costs of administering a bulk BRM discount. Id. at 4–5. It argues that it should be the Postal Service's managerial prerogative to treat the proposals in its Request, rather than that of Nashua/Mystic, as its near-term business priorities. Id. at 1, 3. It asserts that recommending a rate for bulk BRM in this docket would violate management's statutory prerogatives, and warns that the Governors are likely to reject a shell rate category for bulk BRM, should the Commission recommend it. Id. at 2–3.

Finally, the Postal Service argues that denying the Motion would not leave Nashua and Mystic without relief. Responding to their assertion that this docket is the only reclassification case for special services that the Postal Service plans to file in the foreseeable future, the Postal Service contends that its policy statement of July 19, 1996, on BRM reform ''opens the possibility that there soon will be a BRM reclassification case'' in which the Nashua/Mystic proposal could be considered. Id. at 5.

The Office of the Consumer Advocate (OCA) also filed a response opposing the Motion. Office of the Consumer Advocate Response to Motion of Nashua Photo and Mystic Color Lab to Enlarge Scope of Proceeding, July 25, 1996 (''OCA Response''). The OCA states that the Nashua/Mystic proposal appears to have merit and should be investigated, citing previous expressions of Commission concern that the costs avoided by mail services that do not require delivery are not adequately reflected in their rates. OCA Response at 4–5. It contends, however, that to begin an investigation of the BRM fee structure almost two months into these proceedings might delay the processing of the Postal Service's proposals. It regards delay as unwarranted, since it sees no connection between reform of the BRM fee structure and the Postal Service's proposals in this docket. Id. at 1. The OCA argues that it would be more appropriate to consider the Nashua/Mystic proposal in a separate complaint proceeding brought under § 3662, or in a separate phase of the current docket. Id. at 1–2.

On July 31, 1996, Nashua and Mystic filed a memorandum replying to the arguments of the Postal Service and the OCA. Nashua Photo Inc. & Mystic Color Lab Reply Memorandum Regarding Their Motion to Enlarge Scope of Proceeding for Consideration of Classification Modification with Respect to Business Reply Mail, July 31, 1996 (''Nashua Reply''). Nashua's Reply describes the procedures used to handle Nashua's BRM mail. According to Nashua, it receives its incoming film processing orders from the Postal Service in sacks by truck. It asserts that it does all remaining handling of this incoming BRM mail, including keeping an incoming manifest system that generates a daily computer report for the Postal Service of the amount of postage and BRM fees owed. It describes the Postal Service's role as limited to sampling the incoming mail to verify these reports. Nashua contends that because this system requires less BRM-related work of the Postal Service than BRMAS mail, charging it a 10-cent, rather than a 2-cent BRM fee is unfair. It alleges that the Postal Service does not believe that the current DMCS permits it to charge a reduced fee for non-automated BRM. Its proposal is intended to remove this perceived obstacle to charging it fair BRM fees. Nashua Reply at 3, n.3.

Nashua's Reply urges rejection of the Postal Service's policy argument that management's decisions concerning the scope of its classification proposals should control the scope of the hearings in which they are considered. It warns against assuming that a failure by management to request a particular classification change means that management would arbitrarily refuse to consider a record supporting such a change. Such an assumption, it argues, would make futile the authority granted to the Commission in § 3623(b) of the Act to initiate hearings on classification proposals. Id. at 7–8, 9–11. Nashua cites Docket No. MC78–2 as an illustration that this authority can be productively invoked. In that docket, it notes, the Governors adopted the Commission's recommendation to create presort discount categories for non-profit third-class mail, even though the Postal Service did not propose changes to that subclass in that docket. Id. at 10, n.9.

Nashua's Reply challenges the Postal Service's contention that the Commission has a policy of excluding intervenors' proposals from dockets under circumstances similar to those in this docket. It notes that the Postal Service's Opposition attempts to draw parallels between Nashua's proposal in this docket, and a proposal by United Parcel Service (UPS) to expand the scope of Docket No. MC95–1 that the Commission rejected. According to the Postal Service, Nashua notes, the Commission rejected UPS's proposal to enlarge Docket No. MC95–1 because UPS proposed changes to a mail category that the Postal Service's proposals did not address, threatening to unduly burden and delay the consideration of its own proposals. The Postal Service has not proposed substantive changes to BRM, and claims that it would unduly burden and delay this proceeding to add difficult BRM issues to the complex set of issues raised by its own proposals. Nashua Reply at 2–3.

Nashua counters that the reasons that the Commission used to restrict the scope of Docket No. MC95–1 do not

apply to its proposal in this docket. It observes that in Docket No. MC95–1, the Commission evaluated proposals to reclassify ''the totality of First-Class, second-class and third-class mail'' in ten months. It argues that the same amount of time is available to evaluate the ''vastly smaller'' set of issues in this docket, which involves reclassification of only six special services. Nashua contends that the Postal Service is well aware of the contrast. It quotes from the Postal Service's letter to the participants in this docket proposing a partial settlement, which states that activity in this docket has been ''relatively light, and there are many fewer issues than in an omnibus rate or classification proceeding.'' Under these circumstances, Nashua argues, considering a minor change in BRM is unlikely to significantly delay this proceeding. Nashua Reply at 4–5, 9.

Nashua argues that the parallel that the Postal Service attempts to draw with Docket No. MC95–1 fails in another crucial respect. It notes that the Postal Service's Opposition offers no assurance that Nashua would have other remedies if its Motion were denied. The Opposition, Nashua asserts, offers no commitment to filing a BRM reclassification case in the near future, just an expectation that later this year it will be in a position to ''take appropriate action'' of an unspecified nature. Id. at 6, 11.

Commission Analysis. Determining the appropriate scope of the Commission's dockets is an administrative matter generally left to the Commission's sound discretion. It involves balancing various objectives. Prominent among them is procedural efficiency, but there are others. One of them is the Commission's ''affirmative duty to develop facts and make recommendations which further the goals and objectives of the Act.'' *See* Docket No. MC78–2, Opinion and Recommended Decision on Reconsideration, March 24, 1980, at 13. Among those statutory objectives are that mail classifications be fair and not unduly discriminatory [*see* §§ 3623(c)(1) and 403(c)], and that they be structured to fairly reflect major distinctions in costs, demand, and other § 3622(b) factors.

Nashua has alleged that its BRM requires less work of the Postal Service, and therefore imposes less cost on the Postal Service, than automated BRM. If this were shown to be true, the five-fold disparity in the BRM discount offered to these two types of BRM might indicate that this fee structure violates § 3623(c)(1), and § 403(c). Such a case might be rebutted, for example by a showing that it would be administratively impractical to establish a separate discount category for non-automated bulk BRM mail processed as Nashua describes. The important point is that not allowing Nashua to attempt to prove its case in this docket would frustrate the objectives of the Act, unless there are important countervailing considerations.

The countervailing considerations alleged by the Postal Service are not persuasive. The Postal Service argues that, as a matter of policy, the boundaries of classification proposals selected by management should control the scope of the hearings in which they are considered. This ''policy'' is not consistent with the structure of the Act. The Act clearly does not assume that a failure by management to request a particular classification change means that management would arbitrarily refuse to consider a record supporting such a change. Such an assumption would make a mockery of the authority granted to the Commission in § 3623(b) of the Act to initiate hearings on classification proposals. As Nashua notes, this authority has been productively exercised in prior dockets, such as MC78–2, where the Governors adopted the Commission's recommendation to reconfigure a subclass that was not addressed in the Postal Service's initial filing. Nashua Response at 10, n.9.

Although BRM is a special service, the Postal Service argues that it is inappropriate to address it in this docket, because it is unrelated to the six special services that it proposes to modify. This argument that BRM is unrelated is valid, as far as it goes. Most of the six special services are unrelated to each other and to BRM. The Postal Service's Request proposes miscellaneous, rather than systematic classification changes to special services. Since all are essentially discreet, self-contained services, there is little procedural efficiency to be lost by considering another discreet special service in this docket. The decision to address Nashua's proposal in this docket should turn on other factors.

More significant is the Postal Service's argument that considering Nashua's proposal in this docket would be premature, because the Postal Service is currently reexamining BRM costs and operations. The prospect of having access to more BRM cost and operational data in a subsequent case would support deferring consideration of Nashua's proposal if it were coupled with some assurance that there will be a relevant filing in the foreseeable future. As Nashua points out, however, the Postal Service has promised only that it will be in a better position ''to take appropriate action'' at the end of the year, action which might or might not involve a filing with the Commission. Nashua Reply at 6, 11. This contrasts with the situation in Docket No. MC95–1 in which the Commission refused UPS's request to include reform of the Priority Mail rate structure. An important factor in that decision was the Commission's belief that issues relating to the structure of Priority Mail would be reviewed in a future docket, based on the intentions expressed by the Postal Service to make a relevant filing in the near future. *See* Docket No. MC95–1, Order No. 1064, citing Tr. 1/30.

The other factor on which the Commission relied in refusing to enlarge the scope of MC95–1 was the impracticality of adding potentially complex reclassification issues to the sweeping classification reforms already under consideration in that docket. This contrasts with the situation in this docket, where the same amount of time is available to examine a considerably narrower set of Postal Service proposals. As the Postal Service has acknowledged, activity in this docket has been light, and there are many fewer issues to consider than in an omnibus classification docket. Notice of the United States Postal Service Regarding Partial Settlement, July 19, 1996, at 3.

The narrowness of the issues raised by Nashua's proposal further reduces the prospect that considering them in this docket will delay processing of the Postal Service's proposals. To support a recommendation that a discreet rate category be established for bulk, non-automatable BRM processed by the business reply customer, it is not essential for Nashua to show what the specific discount should be. It may be sufficient to show that the BRM costs of such mail are systematically and substantially below the BRM costs of other advance deposit non-automatable BRM. Nashua has disavowed an intent to litigate issues of the appropriate attributable cost and rate for automated BRM itself. Nashua Reply at 3, n.3.

Accordingly, it does not appear that considering Nashua's proposal in this docket is likely to significantly delay the consideration of the Postal Service's proposals in this docket. If, during the course of this proceeding, the Postal Service should demonstrate that Nashua's proposal cannot be adequately considered without a wide-ranging reexamination of the structure of BRM fees, and that such a consideration must await the outcome of its current investigations, the Nashua proposal can

be severed and considered in a separate phase of this docket.

It is ordered:

1. The Nashua Photo Inc. and Mystic Color Lab Motion to Enlarge Scope of Proceeding for Consideration of Classification Modification with Respect to Business Reply Mail, filed July 15, 1996, is granted.

2. The Secretary shall cause a notice of this determination to be published in the Federal Register.

Issued by the Commission on August 8, 1996.

Margaret P. Crenshaw,

Secretary.

[FR Doc. 96–20782 Filed 8–14–96; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22129; 812–7754]

Accessor Funds, Inc., et al.; Notice of Application

August 9, 1996.

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

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

APPLICANTS: Accessor Funds, Inc. (''Fund''), Bennington Capital Management L.P. (''Adviser'') , and each open-end management investment company in the future advised by the Adviser.

RELEVANT ACT SECTIONS: Exemption requested under section 6(c) of the Act from the provisions of section 15(a) of the Act and rule 18f–2 thereunder.

SUMMARY OF APPLICATION: Applicants request an order to permit the Fund and the Adviser to enter into and amend contracts with the Fund's subadvisers without prior shareholder approval.

FILING DATES: The application was filed on July 16, 1991, and amended on June 19, 1996, and August 6, 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 September 3, 1996, and should be accompanied by proof of service on 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 Fifth Street, N.W., Washington, D.C. 20549. Applicants: Fund and Adviser, 1420 Fifth Avenue, Suite 3130, Seattle, Washington 98101.

FOR FURTHER INFORMATION CONTACT: Mercer E. Bullard, Branch Chief, (202) 942–0564, or Elizabeth G. Osterman, Assistant Director, (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 at the SEC's Public Reference Branch.

Applicants' Representations

1. The Fund, a Maryland corporation that has eight series (''Portfolios''), is registered under the Act as an open-end management investment company. Each Portfolio, except for the U.S. Government Money Portfolio, employs one subadviser (''Money Manager'') to manage all or part of the Portfolio's assets. The U.S. Government Money Portfolio is managed by the Adviser. The Adviser, in the future, may manage other Portfolios. Although no Portfolio currently has more than one Money Manager, the Fund is structured so that each Portfolio could have more than one.

2. The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940 and as a transfer agent under the Securities Exchange Act of 1934. The Adviser manages the Portfolios under a management agreement (''Management Agreement'') with the Fund. Under the Management Agreement, the Adviser acts as manager and administrator of the Fund, and provides or oversees the providing of all general management, administration, investment advisory and portfolio management services for the Fund. The Adviser also is responsible for supervising Money Managers, subject to oversight by the Fund's board of directors, and recommending Money Managers for board approval. The Adviser is paid a fee by each Portfolio, based on a percentage of the Portfolio's average daily net assets, for acting as manager and administrator to the Fund.

3. Each Money Manager has discretionary authority to invest that portion of a Portfolio's assets assigned to it, and its responsibilities are limited to this role. Each Money Manager receives an advisory fee that is paid by the Portfolio and based on the assets of the Portfolio.

4. Pursuant to a proxy solicitation made August 15, 1995, the Fund's shareholders approved a proposal, conditioned on the receipt of the requested order, to allow the Fund and the Adviser to enter into advisory agreements with Money Managers (''Money Manager Agreements'') without shareholder approval.

5. Applicants request an exemption from section 15(a) of the Act and rule 18f–2 thereunder to permit the Fund and the Adviser to enter into and amend Money Manager Agreements without prior shareholder approval. Such relief would include any Money Manager Agreement that terminates as a result of an ''assignment,'' as defined in section 2(a)(4) of the Act.

Applicants' Legal Analysis

1. Section 15(a) of the Act makes it unlawful for any person to act as investment adviser to a registered investment company except pursuant to a written contract that has been approved by a majority of the company's outstanding voting securities. Rule 18f–2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Applicants believe that a change in a Money Manager or Money Manager Agreement is not an event that significantly alters the nature of the shareholder's investment and thus does not implicate the policy concerns requiring shareholder approval. Applicants assert that the Fund's use of the manager of managers structure will be a principal reason that shareholders invest in the Fund. Shareholders rely primarily on the Adviser to manage the Fund, including changing Money Managers when appropriate. Shareholders will receive an information statement about changes in Money Managers or Money Manager Agreements that provides the information that would be included in a proxy solicitation.

3. Applicants contend that requiring shareholder approval of Money Managers and Money Manager Agreements would cause unnecessary expense to the Portfolios and harmful delays in executing changes in Money Managers or the Agreements. Changes to Money Manager Agreements have required at least four special shareholder meetings since 1992. Applicants expect the direct expenses of convening a special meeting to be at least $8 to $20 per shareholder account.