

a potential location for a permanent repository for the disposal of that waste.

Dated: October 8, 1997.

**William Barnard,**

*Executive Director, Nuclear Waste Technical Review Board.*

[FR Doc. 97-27256 Filed 10-14-97; 8:45 am]

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**PENSION BENEFIT GUARANTY CORPORATION**

**Interest Assumption for Determining Variable-Rate Premium; Interest on Late Premium Payments; Interest on Underpayments and Overpayments of Single-Employer Plan Termination Liability and Multiemployer Withdrawal Liability; Interest Assumptions for Multiemployer Plan Valuations Following Mass Withdrawal**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of interest rates and assumptions.

**SUMMARY:** This notice informs the public of the interest rates and assumptions to be used under certain Pension Benefit Guaranty Corporation regulations. These rates and assumptions are published elsewhere (or are derivable from rates published elsewhere), but are collected and published in this notice 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 October 1997. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in November 1997. The interest rates for late premium payments under part 4007 and for underpayments and overpayments of single-employer plan termination liability under part 4062 and multiemployer withdrawal liability under part 4219 apply to interest accruing during the fourth quarter (October through December) of 1997.

**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. (For TTY and TDD, call 800-877-8339 and request connection to 202-326-4024).

**SUPPLEMENTARY INFORMATION:**

**Variable-Rate Premiums**

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security Act of 1974 (ERISA) and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribe use of an assumed interest rate in determining a single-employer plan's variable-rate premium. The rate is the "applicable percentage" (described in the statute and the regulation) 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.

For plan years beginning before July 1, 1997, the applicable percentage of the 30-year Treasury yield was 80 percent. The Retirement Protection Act of 1994 (RPA) amended ERISA section 4006(a)(3)(E)(iii)(II) to provide that the applicable percentage is 85 percent for plan years beginning on or after July 1, 1997, through (at least) plan years beginning before January 1, 2000.

However, under section 774(c) of the RPA, the application of the amendment is deferred for certain regulated public utility (RPU) plans for as long as six months. The applicable percentage for RPU plans will therefore remain 80 percent for plan years beginning before January 1, 1998. (The rules governing the applicable percentages for "partial" RPU plans are described in § 4006.5(g) of the premium rates regulation.)

For plans for which the applicable percentage is 85 percent, the assumed interest rate to be used in determining variable-rate premiums for premium payment years beginning in October 1997 is 5.53 percent (*i.e.*, 85 percent of the 6.50% percent yield figure for September 1997).

The following table lists the assumed interest rates to be used in determining variable-rate premiums for premium payment years beginning between November 1996 and October 1997. The rates for July through October 1997 in the table reflect an applicable percentage of 85 percent and thus apply only to non-RPU plans. However, the rates for months before July 1997, which reflect an applicable percentage of 80 percent, apply to RPU (and "partial" RPU) plans as well as to non-RPU plans.

For premium payment years beginning in:	The assumed interest rate is—
November 1996 .....	5.45
December 1996 .....	5.18

For premium payment years beginning in:	The assumed interest rate is—
January 1997 .....	5.24
February 1997 .....	5.46
March 1997 .....	5.35
April 1997 .....	5.54
May 1997 .....	5.67
June 1997 .....	5.55
July 1997 .....	5.75
August 1997 .....	5.53
September 1997 .....	5.59
October 1997 .....	5.53

For premium payment years beginning in October 1997, the assumed interest rate to be used in determining variable-rate premiums for RPU plans (determined using an applicable percentage of 80 percent) is 5.20 percent. For "partial" RPU plans, the assumed interest rates to be used in determining variable-rate premiums can be computed by applying the rules in § 4006.5(g) of the premium rates regulation. The PBGC's premium payment instruction booklet also describes these rules and provides a worksheet for computing the assumed rate.

**Late Premium Payments; Underpayments and Overpayments of Single-Employer Plan Termination Liability**

Section 4007(b) of ERISA and § 4007.7(a) of the PBGC's regulation on Payment of Premiums (29 CFR part 4007) require the payment of interest on late premium payments at the rate established under section 6601 of the Internal Revenue Code. Similarly, § 4062.7 of the PBGC's regulation on Liability for Termination of Single-employer Plans (29 CFR part 4062) requires that interest be charged or credited at the section 6601 rate on underpayments and overpayments of employer liability under section 4062 of ERISA. The section 6601 rate is established periodically (currently quarterly) by the Internal Revenue Service. The rate applicable to the fourth quarter (October through December) of 1997, as announced by the IRS, is 9 percent.

The following table lists the late payment interest rates for premiums and employer liability for the specified time periods:

From—	Through—	Interest rate (percent)
4/1/91 .....	12/31/91 .....	10
1/1/92 .....	3/31/92 .....	9
4/1/92 .....	9/30/92 .....	8
10/1/92 .....	6/30/94 .....	7
7/1/94 .....	9/30/94 .....	8

From—	Through—	Interest rate (percent)
10/1/94 .....	3/31/95 .....	9
4/1/95 .....	6/30/95 .....	10
7/1/95 .....	3/31/96 .....	9
4/1/96 .....	6/30/96 .....	8
7/1/96 .....	12/31/96 .....	9
1/1/97 .....	3/31/97 .....	9
4/1/97 .....	6/30/97 .....	9
7/1/97 .....	9/30/97 .....	9
10/1/97 .....	12/31/97 .....	9

### Underpayments and Overpayments of Multiemployer Withdrawal Liability

Section 4219.32(b) of the PBGC's regulation on Notice, Collection, and Redetermination of Withdrawal Liability (29 CFR part 4219) specifies the rate at which a multiemployer plan is to charge or credit interest on underpayments and overpayments of withdrawal liability under section 4219 of ERISA unless an applicable plan provision provides otherwise. For interest accruing during any calendar quarter, the specified rate is the average quoted prime rate on short-term commercial loans for the fifteenth day (or the next business day if the fifteenth day is not a business day) of the month preceding the beginning of the quarter, as reported by the Board of Governors of the Federal Reserve System in Statistical Release H.15 ("Selected Interest Rates"). The rate for the fourth quarter (October through December) of 1997 (*i.e.*, the rate reported for September 15, 1997) is 8.50 percent.

The following table lists the withdrawal liability underpayment and overpayment interest rates for the specified time periods:

From—	Through—	Rate (percent)
10/1/91 .....	12/31/91 .....	8.00
1/1/92 .....	3/31/92 .....	7.50
4/1/92 .....	9/30/92 .....	6.50
10/1/92 .....	6/30/94 .....	6.00
7/1/94 .....	9/30/94 .....	7.25
10/1/94 .....	12/31/94 .....	7.75
1/1/95 .....	3/31/95 .....	8.50
4/1/95 .....	9/30/95 .....	9.00
10/1/95 .....	3/31/96 .....	8.75
4/1/96 .....	12/31/96 .....	8.25
1/1/97 .....	3/31/97 .....	8.25
4/1/97 .....	6/30/97 .....	8.25
7/1/97 .....	9/30/97 .....	8.50
10/1/97 .....	12/31/97 .....	8.50

### 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 November 1997 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 9th day of October 1997.

**David M. Strauss,**

*Executive Director, Pension Benefit Guaranty Corporation.*

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### SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22842; 812-10582]

#### Sierra Asset Management Portfolios, et al.; Notice of Application

October 7, 1997.

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

**ACTION:** Notice of application under sections 6(c), 12(d)(1)(J), and 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 12(d)(1) (A) and (C) and 17(a) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order that would amend a prior order<sup>1</sup> (the "Prior Order") to permit a "fund of funds" that is an open-end investment company to invest in shares of an affiliated closed-end investment company.

**APPLICANTS:** Sierra Asset Management Portfolios (the "Trust"), Sierra Prime Income Fund ("SPIF"), Sierra Investment Advisors Corporation ("Sierra Advisors"), and Sierra Investment Services Corporation ("Sierra Services"), including each applicant's successor in interest.<sup>2</sup>

**FILING DATES:** The application was filed on March 19, 1997 and amended on July 21, 1997. Applicants have agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

**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

<sup>1</sup> *Sierra Asset Management Trust, et al.*, Investment Company Act Release Nos. 22001 (June 3, 1996) (notice) and 22047 (June 28, 1996) (order).

<sup>2</sup> "Successor in interest" is limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on October 29, 1997, 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 5th Street, N.W., Washington, D.C. 20549. Applicants, 9301 Corbin Avenue, Suite 333, Northridge, California 91324.

**FOR FURTHER INFORMATION CONTACT:** Elaine M. Boggs, Senior Counsel, at (202) 942-0572, or Christine Y. Greenlees, 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, 450 5th Street, N.W., Washington, D.C. 20549 (telephone (202) 942-8090).

#### Applicants' Representations

1. The Trust is registered under the Act as an open-end management investment company and consists of five portfolios (the "SAM Portfolios").<sup>3</sup> Each SAM Portfolio operates as a "fund of funds" under the Prior Order and invests substantially all of its assets in shares of various portfolios of Sierra Trust Funds. Sierra Trust Funds is a registered open-end management investment company comprised of sixteen portfolios (the "Underlying Funds") that is part of the "same group of investment companies" (as defined in section 12(d)(1)(G)(ii) of the Act) as the SAM Portfolios. Each SAM Portfolio also invests in other securities. Each SAM Portfolio seeks to provide diversification among major asset categories and stock and bond sub-categories. Certain of the SAM Portfolios are designed to provide exposure in varying degrees to the growth potential of the stock market and/or the income potential of the bond market.

2. Applicants seek to amend the Prior Order to permit the SAM Portfolios to acquire up to 100% of SPIF's shares. Applicants request that relief be extended to any registered open-end management investment company, or

<sup>3</sup> The Trust was initially organized as the "Sierra Asset Management Trust," but changed its name on July 19, 1996, prior to the Trust's registration statement becoming effective.