regarding proposed improvements to the Senior Management Meeting Process.

5:15 P.M.–7:00 P.M.: Preparation of ACRS Reports (Open)—The Committee will discuss proposed ACRS reports on matters considered during this meeting, as well as the ACRS annual report to Congress regarding the NRC Safety Research Program.

Friday, February 6, 1998

8:30 a.m.–8:35 a.m.: Opening Remarks by the ACRS Chairman (Open)-The ACRS Chairman will make opening remarks regarding conduct of the meeting.

8:35 a.m.–9:30 a.m.: Proposed Rulemaking Related to 10 CFR 50.59 (Changes, Tests and Experiments) (Open)—The Committee will hear presentations by and hold discussions with representatives of the NRC staff regarding the proposed changes to 10 CFR 50.59.

9:30 a.m.–10:15 a.m.: SECY–97–231, Performance Based Inspection Guidance (Open)—The Committee will hear presentations by and hold discussions with representatives of the NRC staff regarding SECY-97–231, and related matters.

10:30 a.m.–11:30 a.m.: Human Performance and Reliability Implementation Plan (Open)—The Committee will hear presentations by and hold discussions with representatives of the NRC staff regarding the Human Performance and Reliability Implementation Plan and related activities.

11:30 a.m.–12:00 Noon: Future ACRS Activities (Open)—The Committee will discuss the recommendations of the Planning and Procedures Subcommittee regarding items proposed for consideration by the full Committee during future meetings.

1:00 p.m.–3:00 p.m.: Draft NUREG–1555, ''SRP For Environmental Reviews For Nuclear Power Plants'' (Open)—The Committee will hear presentations by and hold discussions with representatives of the NRC staff regarding draft NUREG–1555 and related matters.

3:15 p.m.–7:00 p.m.: Preparation of ACRS Reports (Open)—The Committee will continue its discussion of proposed ACRS reports on matters considered during this meeting, and may also discuss the ACRS annual report to Congress regarding the NRC Safety Research Program.

Saturday, February 7, 1998

8:30 a.m.–9:00 a.m.: Report of the Planning and Procedures Subcommittee (Open/Closed)—The Committee will hear a report of the Planning and Procedures Subcommittee on matters related to the conduct of ACRS business, agenda for the planning meeting, and organizational and personnel matters relating to the ACRS.

[Note: A portion of this session may be closed to discuss organizational and personnel matters that relate solely to the internal personnel rules and practices of this Advisory Committee, and information the release of which would constitute a clearly unwarranted invasion of personal privacy.]

9:00 a.m.–9:15 a.m.: Reconciliation of ACRS Comments and Recommendations (Open)—The Committee will discuss responses from the NRC Executive Director for Operations (EDO) to comments and recommendations included in recent ACRS reports, including the EDO response to the December 12, 1997 ACRS report related to proposed revisions to 10 CFR 50.59 (Changes, Tests and Experiments).

9:15 a.m.–4:00 p.m. (12:00 Noon–1:00 p.m. Lunch): Preparation of ACRS Reports (Open)—The Committee will continue its discussion of proposed ACRS reports on matters considered during this meeting, and may also discuss the ACRS annual report to Congress regarding the NRC Safety Research Program.

4:00 p.m.–4:30 p.m.: Miscellaneous (Open)—The Committee will discuss matters related to the conduct of Committee activities and matters and specific issues that were not completed during previous meetings, as time and availability of information permit.

Procedures for the conduct of and participation in ACRS meetings were published in the **Federal Register** on September 4, 1997 (62 FR 46782). In accordance with these procedures, oral or written views may be presented by members of the public, including representatives of the nuclear industry, electronic recordings will be permitted only during the open portions of the meeting, and questions may be asked only by members of the Committee, its consultants, and staff. Persons desiring to make oral statements should notify Dr. Gail H. Marcus, Acting Chief of the Nuclear Reactors Branch, at least five days before the meeting, if possible, so that appropriate arrangements can be made to allow the necessary time during the meeting for such statements. Use of still, motion picture, and television cameras during this meeting may be limited to selected portions of the meeting as determined by the Chairman. Information regarding the time to be set aside for this purpose may be obtained by contacting the Acting Chief of the Nuclear Reactors Branch prior to the meeting. In view of the possibility that the schedule for ACRS meetings may be adjusted by the Chairman as necessary to facilitate the conduct of the meeting, persons planning to attend should check with the Acting Chief of the Nuclear Reactors Branch if such rescheduling would result in major inconvenience.

In accordance with Subsection 10(d) P.L. 92–463, I have determined that it is necessary to close portions of this meeting noted above to discuss matters that relate solely to the internal personnel rules and practices of this Advisory Committee per 5 U.S.C. 552b(c)(2), to discuss Westinghouse proprietary information per 5 U.S.C. 552b(c)(4), and to discuss information the release of which would constitute a clearly unwarranted invasion of personal privacy per 5 U.S.C. 552b(c)(6).

Further information regarding topics to be discussed, whether the meeting has been canceled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor, can be obtained by contacting Dr. Gail H. Marcus, Acting Chief of the Nuclear Reactors Branch (telephone 301/415–7363), between 7:30 A.M. and 4:15 P.M. EST.

ACRS meeting agenda, meeting transcripts, and letter reports are available for downloading or reviewing on the internet at http://www.nrc.gov/ACRSACNW.

Date: January 14, 1998.

Andrew L. Bates,

Advisory Committee Management Officer.

[FR Doc. 98–1380 Filed 1–20–98; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22998; 812–10492]

Growth Stock Portfolio, et al.; Notice of Application

January 13, 1998.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the ''Act'') from section 15(a) of the Act and rule 18f–2 under the Act and from certain disclosure requirements under the Act.

SUMMARY OF APPLICATION: Applicants request an order that would (i) permit applicants to hire sub-advisers and materially amend sub-advisory agreements without shareholder approval and (ii) grant relief from

certain disclosure requirements regarding advisory fees paid to the sub-advisers.

APPLICANTS: Growth Stock Portfolio (the ''Portfolio''), R. Meeder & Associates, Inc. (''RMA''), and Sector Capital Management, L.L.C. (''Sector,'' together with RMA, the ''Advisers'').

FILING DATES: The application was filed on January 13, 1997. Applicant has agreed to file an amendment, the substance of which is incorporated herein, 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 copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on February 9, 1998 and should be accompanied by proof of service on the applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the 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, N.W., Washington, D.C. 20549. Applicants: Growth Stock Portfolio and R. Meeder & Associates, Inc., 6000 Memorial Drive, Dublin, OH 43017; Sector Capital Management, L.L.C., 5350 Poplar Avenue, Suite 490, Memphis, TN 38119.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942–0574, or Nadya B. Roytblat, Assistant Director, 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, 450 5th Street, N.W., Washington, D.C. 20549 (tel. 202–942–8090).

Applicants' Representations

1. The Flex-Funds and The Flex-Partners, Massachusetts business trusts, are open-end management investment companies registered under the Act (The Flex-Funds and The Flex-Partners are collectively referred to as the ''Trusts''). The Highlands Growth Fund is a series of The Flex-Funds, and the Core Equity Fund is a series of The Flex-Partners (The Highlands Growth Fund and the Core Equity Fund are collectively referred to as the ''Funds''). The Portfolio, a New York business trust, is an open-end management investment company registered under the Act. The Portfolio's securities are not registered under the Securities Act of 1933 and the Portfolio currently does not intend to offer its shares to the public. The Portfolio offers its shares to the Funds through the use of offering documents (''Offering Documents''). Neither the Trusts nor the Funds have an investment adviser because the assets of the Funds are invested in the Portfolio, which has the same investment objectives as the Funds.

2. RMA, an investment adviser registered under the Investment Advisers Act of 1940 (the ''Advisers Act''), acts as investment adviser to the Portfolio. Under an investment advisory contract, RMA (i) provides an investment program within the limitations of the Portfolio's investment policies and restrictions; (ii) furnishes all executive, administrative and clerical services required for the transaction of Portfolio business, other than accounting services and services which are provided by the Portfolio's custodian, transfer agent, independent accountants, and legal counsel; and (iii) provides office space and other facilities and equipment for the management of the affairs of the Portfolio. In addition, RMA invests the Portfolio's cash and may invest the Portfolio's financial futures contracts and related options. For its services, RMA receives a fee from the Portfolio based on the net assets of the Portfolio.

3. Sector, an investment adviser registered under the Advisers Act, serves as investment co-adviser to the Portfolio under an investment co-advisory agreement among the Portfolio, RMA and Sector (the ''Co-advisory Agreement''). RMA recommended to the Portfolio's board of directors (the ''Board'') that Sector be hired as the investment co-adviser to the Portfolio. RMA also has the right to terminate Sector as the investment co-adviser to the Portfolio. The Co-advisory Agreement permits Sector to enter into agreements with one or more sub-advisers (''Sub-advisory Agreements'') to exercise investment discretion over the Portfolio's assets.[1]

4. Under the Co-Advisory Agreement, Sector (i) Reallocates the assets of the Portfolio among the sub-advisers when necessary; (ii) evaluates and selects sub-advisers; (iii) performs internal due diligence on prospective sub-advisers and monitors sub-advisers' performance through quantitative and qualitative analysis; (iv) supervises compliance with the investment objectives and policies of the Portfolio; (v) recommends to the Board whether Sub-advisory Agreements should be renewed, modified, or terminated; and (vi) recommends to the Board the addition of new sub-advisers. The Portfolio currently has seven sub-advisers (the ''Sub-advisers''). The Sub-advisers are responsible for reviewing supervising, and administering the Portfolio's investment program with respect to the portion of the Portfolio's assets assigned to them. As compensation for providing its sub-adviser selection, monitoring and asset allocation services, Sector currently receives a fee from RMA computed as a percentage of RMA's investment advisory fee. Sector pays the Sub-advisers out of this fee.

5. Applicants believe that the allocation of responsibilities between the Advisers benefits the shareholders because of the specialization and efficiency it provides. Applicants request an exemption from section 15(a) of the Act and rule 18f–2 under the Act to permit them to hire Sub-advisers and materially amend Sub-advisory Agreements without shareholder approval. Applicants also request an exemption from various disclosure requirements described below that may require them to disclose the fees paid to each Sub-adviser.[2]

6. Applicants request an exemption to permit the Portfolio and the Trusts to disclose (as a dollar amount and as a percentage of their net assets: (i) aggregate fees paid to RMA and its Affiliated Sub-advisers (as defined below); (ii) aggregate fees paid to Sector and its Affiliated Sub-advisers (as defined below); and (iii) aggregate fees paid to Sub-Advisers other than Affiliated Sub-Advisers (these fees are referred to collectively as, ''Aggregate Fees''). An Affiliated Sub-adviser is any sub-adviser that is an ''affiliated person'' (as defined in section 2(a)(3) of the Act) of the Portfolio, the Trusts, RMA, or Sector, other than by reason of serving as a sub-adviser of the Portfolio.

[1] Under the Co-advisory Agreement, Sector is authorized to make investment decisions concerning the purchase and sale of specific securities and other instruments.

[2] Applicants also request relief with respect to any other registered open-end management investment company advised by RMA and Sector, or a person controlling, controlled by, or under common control with RMA and a person controlling, controlled by or under common control with Sector (a ''Future Company''), provided that the Future Company operates in substantially the same manner as the Portfolio and complies with the conditions of the requested order.

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relative part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract which has been approved by the vote of a majority of the outstanding voting securities of such registered investment company. Rule 18f–2 provides that any investment advisory contract that is submitted to the shareholders of a series investment company under section 15(a) shall be deemed to be effectively acted upon with respect to any class or series of such company if a majority of the outstanding voting securities of such class or series vote for the approval of the contract.

2. Form N–1A is the registration statement used by open-end investment companies. Items 2, 5(b)(iii), and 16(a)(iii) of Form N–1A require disclosure of the method and amount of the investment adviser's compensation.

3. Form N–14 is the registration form for business combinations involving open-end investment companies. Item 3 of Form N–14 requires the inclusion of a ''table showing the current fees for the registrant and the company being acquired and pro forma fees, if different, for the registrant after giving effect to the transaction.''

4. Rule 20a–1 under the Act requires proxies solicited with respect to an investment company to comply with Schedule 14A under the Securities Exchange Act of 1934 (the ''1934 Act''). Item 22(a)(3)(iv) of Schedule 14A requires a proxy statement for a shareholder meeting at which a new fee will be established or an existing fee increased to include a table of the current and pro forma fees. Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8), and 22(c)(9), taken together, require a proxy statement for a shareholder meeting at which the advisory contract will be voted upon to include the ''rate of compensation of the investment adviser,'' the ''aggregate amount of the investment adviser's fees,'' a description of ''the terms of the contract to be acted upon,'' and, if a change in the advisory fee is proposed, the existing and proposed fees and the difference between the two fees.

5. Form N–SAR is the semi-annual report filed with the SEC by registered investment companies. Item 48 of Form N–SAR requires investment companies to disclose the rate schedule for fees paid to their investment advisers, including the Sub-advisers.

6. Regulation S–X sets forth the requirements for financial statements required to be included as part of investment company registration statements and shareholder reports filed with the SEC. Sections 6–07(2)(a), (b), and (c) of Regulation S–X require that investment companies include in their financial statements information about investment advisory fees.

7. Section 6(c) authorizes the Commission to exempt persons or transactions from the provisions of the Act to the extent that such exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

8. Applicants believe that the requested relief meets the above standard. Applicants contend that shareholders expect Sector, under the overall authority of the Portfolio's Board, to take responsibility for overseeing Sub-advisers and recommending their hiring, termination, and replacement. Applicants note that the Portfolio's investment advisory agreement with RMA and the Co-advisory Agreement will continue to be subject to shareholder approval under section 15(a).

9. Applicants also believe that the requested relief will benefit shareholders by enabling the Portfolio and the Funds to operate in a less costly and more efficient manner. Applicants argue that the requested relief will reduce the Funds' expenses because the Funds will not have to prepare and solicit proxies each time a Sub-advisory Agreement is entered into or modified. Applicants also believe that the disclosure of fees that Sector pays to each Sub-adviser would not serve a meaningful purpose since investors will pay Sector to retain and compensate the Sub-advisers.

Applicants' Conditions

Applicants agree that the order granting the requested relief shall be subject to following conditions:

1. Before the Portfolio may rely on the order requested in the application, the operation of the Portfolio in the manner described in the application will be approved by a majority of the Portfolio's outstanding voting securities, as defined in the Act, and by the Funds' shareholders in accordance with section 12(d)(1)(E)(iii)(aa) of the Act, or, in the case of a Future Company or Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole shareholder before the offering of the Future Company's or Funds' shares to the public.

2. The Funds' prospectuses, the Portfolio's Offering Documents, and, if applicable, the Portfolio's prospectus will disclose the existence, substance, and effect of any order granted pursuant to this application. In addition, the Portfolio and the Funds will hold themselves out to the public as employing the ''manager of managers'' approach described in the application. The Funds' prospectuses, the Portfolio's Offering Documents, and, if applicable, the Portfolio's Prospectus will prominently disclose that RMA and Sector have ultimate responsibility for the investment performance of the Portfolio due to RMA's responsibility to oversee Sector and Sector's responsibility to oversee Sub-advisers and recommend their hiring, termination, and replacement.

3. The Portfolio and the Funds will disclose the Aggregate Fees in their registration statements.

4. Within 90 days of the hiring of any new Sub-adviser, RMA and Sector will furnish to the holders of the beneficial interests of the Portfolio and the Funds' shareholders all information about the new Sub-adviser or Sub-advisory Agreement that would be included in a proxy statement, except as modified by the order with respect to the disclosure of Aggregate Fees. Such information will include disclosure of the Aggregate Fees and any change in such disclosure caused by the addition of a new Sub-adviser. To meet this obligation, RMA and Sector will provide the holders of the beneficial interests of the Portfolio and the Funds' shareholders, within 90 days of the hiring of a Sub-adviser, with an information statement meeting the requirements of Regulation 14C and Schedule 14C under the 1934 Act. The information statement also will meet the requirements of Item 22 of Schedule 14A under the 1934 Act, except as modified by the order with respect to the disclosure of Aggregate Fees.

5. Sector and the Portfolio will not enter into a Sub-advisory Agreement with any Affiliated Sub-adviser without such agreement, including the compensation to be paid thereunder, being approved by the holders of the beneficial interests of the Portfolio and by the Funds' shareholders in accordance with section 12(d)(1)(E)(iii)(aa) of the Act.

6. At all times, a majority of the Portfolio's Board will not be ''interested persons'' within the meaning of section 2(a)(19) of the Act (''Independent Trustees'') and the nomination of new or additional Independent Trustees will be placed within the discretion of the then existing Independent Trustees.

7. When a Sub-adviser change is proposed when the Portfolio has an Affiliated Sub-adviser, the Portfolio's Board, including a majority of the Independent Trustees, will make a separate finding reflected in its minutes, that such change is in the best interest of the Portfolio and its investors and does not involve a conflict of interest from which RMA, Sector, or the Affiliated Sub-adviser derives an inappropriate advantage.

8. RMA will provide general management services to the Portfolio, subject to Portfolio Board review. Sector will, subject to Portfolio Board review and approval, (i) together with RMA, set the Portfolio's overall investment strategies, (ii) select Sub-advisers, (iii) allocate and, when appropriate, reallocate the Portfolio's assets among Sub-advisers, (iv) monitor and evaluate Sub-adviser performances, and (v) supervise Sub-adviser compliance with the Portfolio's investment objective, policies, and restrictions.

9. Independent counsel knowledgeable about the Act and the duties of Independent Trustees will be retained to represent the Independent Trustees. The selection of such counsel will be placed within the discretion of the Independent Trustees.

10. Sector will provide the Portfolio's Board no less frequently than quarterly with information about Sector's profitability for each series of the Portfolio relying on the relief requested in the application. Whenever a Sub-adviser is hired or terminated, Sector will provide the Portfolio's Board with information showing the expected impact on Sector's profitability, and quarterly reports will reflect the impact on profitability of the hiring or termination of Sub-advisers during the quarter.

11. No director, trustee, or officer of Sector, RMA, or the Portfolio will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in a Sub-adviser except for: (a) Ownership of interests in RMA or Sector or any entity that controls, is controlled by, or is under common control with RMA or Sector; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly traded company that is either a Sub-adviser or an entity that controls, is controlled by, or is under common control with a Sub-adviser.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–1347 Filed 1–20–98; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Summary Notice No. PE–97–66]

Petitions for Exemption; Summary of Petitions Received; Dispositions of Petitions Issued

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petitions for exemption received and of dispositions of prior petitions.

SUMMARY: Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for exemption (14 CFR part 11), this notice contains a summary of certain petitions seeking relief from specified requirements of the Federal Aviation Regulations (14 CFR Ch. I), dispositions of certain petitions previously received, and corrections. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary is intended to affect the legal status of any petition or its final disposition.

DATES: Comments on petitions received must identify the petition docket number involved and must be received on or before January 26, 1998.

ADDRESSES: Send comments on any petition in triplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attn: Rule Docket (AGC–200), Petition Docket No. 29099, 800 Independence Avenue, SW., Washington, DC 20591.

Comments may also be sent electronically to the following internet address: 9–NPRM–CMTS@faa.dot.gov.

The petition, any comments received, and a copy of any final disposition are filed in the assigned regulatory docket and are available for examination in the Rules Docket (AGC–200), Room 915G, FAA Headquarters Building (FOB 10A), 800 Independence Avenue, SW., Washington, DC 20591; Telephone (202) 267–3132.

FOR FURTHER INFORMATION CONTACT: Angela Anderson (202) 267–9681 or Tawana Matthews (202) 267–9783 Office of Rulemaking (ARM–1) Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591.

This notice is published pursuant to paragraphs (c), (e), and (g) of § 11.27 of part 11 of the Federal Aviation Regulations (14 CFR Part 11).

Issued in Washington, DC, on January 14, 1998.

Gary A. Michel,

Acting Assistant Chief Counsel for Regulations.

Petitions for Exemption

Docket No.: 29099.

Petitioner: Embry-Riddle Aeronautical University.

Sections of the FAR Affected: 14 CFR 61.55(b)(2), 61.56(c)(1), 61.57 (a) (b) (c) (d), 61.58(a) (1) and (2), and 61.195(e)

Description of Relief Sought: To permit the petitioner to use Level D flight simulators to meet certain flight experience and recency of experience requirements of section 61 for instructor pilots prior to certification of the petitioner's part 142 training center for each appropriate Level D flight simulator program.

[FR Doc. 98–1374 Filed 1–20–98; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Summary Notice No. PE–97–67]

Petitions for Exemption; Summary of Petitions Received; Dispositions of Petitions Issued

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petitions for exemption received and of dispositions of prior petitions.

SUMMARY: Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for exemption (14 CFR part 11), this notice contains a summary of certain petitions seeking relief from specified requirements of the Federal Aviation Regulations (14 CFR Ch. I), dispositions of certain petitions previously received, and corrections. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary is intended to affect the legal status of any petition or its final disposition.

DATE: Comments on petitions received must identify the petition docket