

Resolution: Section 2.3, "Element 3: Define Implementation and Monitoring Program," has been revised to clarify the need for monitoring LSSCs. While details for monitoring LSSCs will be provided in the application-specific guidance documents, the following principal needs should be satisfied for all applications. Monitoring programs should be proposed that are capable of adequately tracking the performance of equipment that, when degraded, could alter the conclusions that were key to supporting the acceptance of the program. It follows that monitoring programs should be structured such that SSCs are monitored commensurate with their safety significance. Monitoring that is performed as a part of the Maintenance Rule implementation can be used when the monitoring performed under the Maintenance Rule is sufficient for the SSCs affected by the risk-informed application.

7. Shutdown and Temporary Plant Condition

Issue: Several commenters noted that the guidelines proposed did not distinguish between power operation and shutdown and did not address temporary plant conditions. Separate guidelines for these conditions were suggested.

Resolution: In response to these comments, Section 2.2.4 of Regulatory Guide 1.174 has been expanded to address the shutdown condition. Specific guidance for temporary plant conditions has not been added, but will be considered in a future update of the guide.

8. Documentation Needs

Issue: Many commenters stated that the requirements in the drafts for documentation were excessive and unmanageable, particularly for proposals involving small changes in risk. It was also suggested that certain items of documentation should not be required to be submitted for the staff's initial review, provided that more complete documentation was maintained at the utility for review as necessary.

Resolution: In response to the comments received, Section 3 of Regulatory Guide 1.174 has been reevaluated to determine whether all items listed in the draft were necessary. As a result, a number of documentation items, particularly with regard to the PRA, have been removed in the final regulatory guide, and the SRP has been revised to be consistent.

9. Overall Cost Benefit

Issue: This issue was highlighted by NEI in its comment letter and was also included in a number of other comment letters. A concern was expressed that the resources required by licensees to prepare proposals and to subsequently implement NRC-approved risk-informed changes to the CLB would be too high considering the benefit in terms of burden reduction.

Resolution: The question of how cost beneficial it would be for utilities to prepare proposals for risk-informed changes to their licensing bases and to implement such programs after review and approval by the NRC will only be fully answered after the industry and the NRC gain further experience in these types of programs. Certainly, the pilot plant program proposals, which are currently being reviewed for application to technical specifications, graded quality assurance, and inservice testing and inspection, will provide useful insights into the potential cost savings of these programs. While it is not the NRC's responsibility to ensure that such risk-informed programs are cost beneficial, it is believed that such programs can enhance safety by better focusing utility and NRC resources on the most important safety areas in reactors; this philosophy is consistent with the Commission's Policy Statement on the use of PRA methods in nuclear regulatory activities. During the preparation of this final regulatory guide and standard review plan section, attention was paid to areas in which needs for utility resources could be reduced, thus the cost beneficial aspects of the risk-informed process were improved while still maintaining an appropriate level of safety. Examples in Regulatory Guide 1.174 are Section 2.2.3, "Scope, Level of Detail, and Quality of the PRA," which states that the level of detail required to support an application can vary depending on the application, and not all applications require an expensive, detailed PRA; Section 2.2.4, "Acceptance Guidelines," identifies a special category of risk-informed proposal as having a sufficiently low estimated risk increase that, generally, the proposal would be considered without a detailed assessment of baseline CDF/LERF (i.e., Region III of Figures 3 and 4 in Regulatory Guide 1.174); and in Section 3, "Documentation," where some of the items that were identified in the draft guide and SRP as being needed in program submittals have been removed since they were not believed necessary. (5 U.S.C. 552(a))

Dated at Rockville, MD, this 31st day of July 1998.

For the Nuclear Regulatory Commission.

Ashok C. Thadani,

Director, Office of Nuclear Regulatory Research.

[FR Doc. 98-22412 Filed 8-19-98; 8:45 am]

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OFFICE OF PERSONNEL MANAGEMENT

Submission For OMB Review; Comment Request for Review of a Revised Information Collection: Form RI 92-19

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) has submitted to the Office of Management and Budget a request for review of a revised information collection. RI 92-19, Application for Deferred or Postponed Retirement: Federal Employees Retirement System (FERS), is used by separated employees to apply for either a deferred or a postponed FERS annuity benefit.

Approximately 1,272 forms are completed annually. We estimate it takes approximately 60 minutes to complete the form. The annual estimated burden is 1,272 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-8358, or E-mail to mbtoomey@opm.gov

DATES: Comments on this proposal should be received on or before September 21, 1998.

ADDRESSES: Send or deliver comments to—
John Crawford, Chief, FERS Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3313, Washington, DC 20415.

and
Joseph Lackey, OPM Desk Officer, Office of Information & Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW, Room 10235, Washington, DC 20503.

FOR INFORMATION REGARDING ADMINISTRATIVE COORDINATION—CONTACT: Donna G. Lease, Budget & Administrative Services Division (202) 606-0623.

Office of Personnel Management.

Janice R. Lachance,

Director.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23391; 812-10842]

Diversified Investors Portfolios, et al.; Notice of Application

August 17, 1998.

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

ACTION: Notice of Application for an order under the Investment Company Act of 1940 (the "Act").

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 under the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit them to enter into and materially amend contracts with subadvisers without shareholder approval.

APPLICANTS: Diversified Investors Portfolios ("DIP") and Diversified Investment Advisors, Inc. (the "Manager").

FILING DATE: The application was filed on October 28, 1997, and amended on April 20, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving the applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on September 8, 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 writers' request, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 4 Manhattanville Road, Purchase, New York 10577, Attention: Robert F. Colby.

FOR FURTHER INFORMATION CONTACT:

Lawrence W. Pisto, Senior Counsel, at (202) 942-0527, 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 at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. (202) 942-8090).

Applicants' Representations

1. DIP is organized as a New York trust and is registered under the Act as an open-end management investment company. DIP currently consists of thirteen portfolios (the "Core Portfolios"). Beneficial interests in the Core Portfolios are issued solely in private placement transactions that do not involve any "public offering" within the meaning of Section 4(2) of the Securities Act of 1933 (the "Securities Act"). Investments in the Core Portfolios may only be made by investment companies, insurance company separate accounts (including accounts registered under the Act and accounts not so registered), common or commingled trust funds or similar organizations or entities that are "accredited investors" within the meaning of Regulation D under the Securities Act. Each Core Portfolio serves as a master fund in a master/feeder structure. Each registered investment company (or series thereof) which invests its investable assets in a Core Portfolio is referred to as a feeder fund ("Feeder Fund").

2. DIP has entered into investment management agreements with the Manager with respect to each of the Core Portfolios (each a "Management Agreement"). The Manager is registered under the Investment Advisers Act of 1940 (the "Advisers Act"). Under the terms of the Management Agreements, the Manager supervises the overall administration of the Core Portfolios, providing or overseeing the provision of all business, administrative, investment advisory and, if applicable, portfolio management services. For its services, the Manager receives a management fee at an annual rate based on a percentage of the applicable Core Portfolio's average net assets.

3. The Manager seeks to enhance performance of the Core Portfolios and reduce risk by selecting one or more "specialist" subadvisers ("Subadvisers"). The Manager selects Subadvisers based on a rigorous process which includes researching each Subadviser's asset class, track record, organizational structure, management

team, consistency of performance, assets under management, and other factors. The Manager continuously monitors a Subadviser's performance on both a quantitative and qualitative basis.

4. The specific investment decisions for each Core Portfolio are made by one or more Subadvisers, each of which has discretionary authority to invest all or a portion of the assets of the particular Core Portfolio, subject to general supervision by the Manager and DIP's Board of Trustees ("Board"). Each Subadviser is or will be registered under the Advisers Act.¹ Each of the Subadvisers receives a subadvisory fee from the Manager at an annual rate based on a percentage of the applicable Core Portfolio's average net assets. Of the thirteen Core Portfolios, eleven currently have one Subadviser, one has two Subadvisers, and one has four Subadvisers.

5. Applicants request an order that would permit the Manager, subject to the oversight by the Board, to enter into and materially amend agreements with Subadvisers ("Subadvisory Agreements") without shareholder approval. Applicants believe that this relief would enable the Core Portfolios to operate more efficiently and consistently with the Manager-Subadviser structure.

Applicants' Legal Analysis

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

2. Section 6(c) of the Act authorizes the Commission to exempt any person, security, or transaction from any provision of the Act to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

¹ Each Subadviser will be registered under the Advisers Act unless it is a "bank" as defined in the Advisers Act or is otherwise excluded from the definition of "investment adviser" under section 202(a)(11) of the Advisers Act.

² In the case of the Core Portfolios, which are "master" funds in a master/feeder structure, shareholder approval requirements under section 15(a) and rule 18f-2 also are governed by the voting provisions set forth in section 12(d)(1)(E) of the Act.