

Type of Meeting: Closed.

Contact Person: Dr. Boris Kayser, Program Director for Theoretical Physics, Division of Physics, Rm. 1015, Telephone: (703) 306-1890.

Purpose of Meeting: To provide advice and recommendations concerning proposals submitted to the Theoretical Physics Formal Strings Program at NSF for financial support.

Agenda: To review and evaluate proposals as part of the selection process for awards.

Reasons for Closing: The proposals being reviewed include information of a proprietary or confidential nature, including technical information; information on personnel and proprietary date for present and future subcontracts. These matters are exempt under 5 U.S.C. 552b(c), (4) and (6) of the Government in the Sunshine Act.

Dated: January 19, 1999.

Linda Allen-Benton,

Acting Director, Division of Human Resource Management.

[FR Doc. 99-1571 Filed 1-22-99; 8:45 am]

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NATIONAL SCIENCE FOUNDATION

Special Emphasis Panel; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92-463, as amended), the National Science Foundation announces the following meeting.

Name: Special Emphasis Panel in Physics (1208).

Date and Time: February 8-10, 1999; 8:30AM-5:00PM.

Place: National Science Foundation, 4201 Wilson Blvd., Arlington, VA 22230, Rm. 770.

Type of Meeting: Closed.

Contact Person: Dr. Winston Roberts, Program Director for Theoretical Physics, Division of Physics, Rm. 1015, Telephone: (703) 306-1890.

Purpose of Meeting: To provide advice and recommendations concerning proposals submitted to the Theoretical Physics Nuclear Program at NSF for financial support.

Agenda: To review and evaluate proposals as part of the selection process for awards.

Reasons for Closing: The proposals being reviewed include information of a proprietary or confidential nature, including technical information; information on personnel and proprietary date for present and future subcontracts. These matters are exempt under 5 U.S.C. 552b(c) (4) and (6) of the Government in the Sunshine Act.

Dated: January 19, 1999.

Linda Allen-Benton,

Acting Director, Division of Human Resource Management.

[FR Doc. 99-1574 Filed 1-22-99; 8:45 am]

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NATIONAL SCIENCE FOUNDATION

Special Emphasis Panel; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92-463, as amended), the National Science Foundation announces the following meeting.

Name: Special Emphasis Panel in Physics (1208).

Date and Time: February 12, 1999 from 8:00 a.m. to 5:00 p.m., Rm. 1060.

Place: National Science Foundation, 4201 Wilson Blvd., Arlington, VA 22230.

Type of Meeting: Closed.

Contact Person: Dr. Barry Schneider, Program Director for Atomic, Molecular and Optical Plasma Physics, National Science Foundation, 4201 Wilson Blvd., Arlington, VA 22230, Telephone: (703) 306-1890.

Purpose of Meeting: To provide advice and recommendations concerning proposals submitted to the NSF Plasma Physics Program.

Agenda: To review and evaluate proposals for the NSF/DOE Coordinated Review of Basic Plasma Physics Program as part of the selection process for awards.

Reason for Closing: The proposals being reviewed include information of a proprietary or confidential nature, including technical information; information on personnel and proprietary date for present and future subcontracts. These matters are exempt under 5 U.S.C. 552b(c) (4) and (6) of the Government in the Sunshine Act.

Dated: January 19, 1999.

Linda Allen-Benton,

Acting Director, Division of Human Resource Management.

[FR Doc. 99-1577 Filed 1-22-99; 8:45 am]

BILLING CODE 7555-01-M

NATIONAL SCIENCE FOUNDATION

Special Emphasis Panel; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92-463, as amended), the National Science Foundation announces the following meeting.

Name: Special Emphasis Panel in Physics (1208).

Date and Time: February 4-6, 1999; 8:30 AM-5:00 PM.

Place: National Science Foundation, 4201 Wilson Blvd., Arlington, VA 22230, Rm. 1060.

Type of Meeting: Closed.

Contact Person: Dr. Boris Kayser, Program Director for Theoretical Physics, Division of Physics, Rm. 1015, Telephone: (703) 306-1890.

Purpose of Meeting: To provide advice and recommendations concerning proposals submitted to the Theoretical Astrophysics Program at NSF for financial support.

Agenda: To review and evaluate proposals as part of the selection process for awards.

Reason for Closing: The proposals being reviewed include information of a proprietary or confidential nature, including technical information; information on personnel and proprietary date for present and future subcontracts. These matters are exempt under 5 U.S.C. 552b(c) (4) and (6) of the Government in the Sunshine Act.

Dated: January 19, 1999.

Linda Allen-Benton,

Acting Director, Division of Human Resource Management.

[FR Doc. 99-1579 Filed 1-22-99; 8:45 am]

BILLING CODE 7555-01-M

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-116]

Notice of Application for Decommissioning Amendment, Iowa State University, UTR-10 Research Reactor

Notice is hereby given that the U.S. Nuclear Regulatory Commission (the Commission) has received an application from Iowa State University dated January 6, 1999, for a license amendment approving the decommissioning plan for the Iowa State University Reactor (Facility License No. R-59) located in the Nuclear Engineering Building, which is located on the west edge of the main campus of Iowa State University, in Ames, Iowa.

A copy of the application is available for public inspection at the Commission's Public Document Room, the Gelman Building, at 2120 L Street, NW., Washington, DC 20037.

Dated at Rockville, Maryland, this 14th day of January 1999.

For the Nuclear Regulatory Commission.

Seymour H. Weiss,

Director, Non-Power Reactors and Decommissioning Project Directorate, Division of Reactor Program Management, Office of Nuclear Reactor Regulation.

[FR Doc. 99-1562 Filed 1-22-99; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23654; 812-11390]

Principal Management Corporation, et al.; Notice of Application

January 15, 1999.

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

ACTION: Notice of application for an order under section 17(b) of the Investment Company Act of 1940 (the

“Act”) for an exemption from section 17(a) of the Act.

APPLICANTS: Principal Management Corporation (the “Adviser”), Principal Tax-Exempt Cash Management Fund, Inc. (the “Tax-Exempt Fund”), and Principal Cash Management Fund, Inc. (the “Cash Management Fund” and together with the Tax-Exempt Fund, the “Funds”).

SUMMARY OF APPLICATION: Applicants request an order to permit the Cash Management Fund to acquire the assets and the liabilities of the Tax-Exempt Fund.

FILING DATES: The application was filed on October 30, 1998, and amended on January 12, 1999.

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, 1999, 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 who wish to be notified of a hearing may request notification by writing to the SEC’s Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549. Applicants, The Principal Financial Group, Des Moines, Iowa 50392-0200.

FOR FURTHER INFORMATION CONTACT: Mary Kay Frech, 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, 450 Fifth Street, NW, Washington, DC 20549 (tel. (202) 942-0526).

Applicants’ Representations

1. Each of the Funds is a Maryland corporation registered under the Act as an open-end management investment company. Each of the Funds operates as a money market fund and seeks to maintain a stable net asset value (“NAV”) per share of \$1.00. The Cash Management Fund has three classes of shares outstanding: Classes A, B, and R. The Tax-Exempt Fund has only one class, Class A, shares outstanding. Class A shares of the Funds are not subject to

a sales load, redemption fee, exchange fee, contingent deferred sales charge, or a distribution fee under rule 12b-1 under the Act (“rule 12b-1 fee”).

2. The Adviser, an investment adviser registered under the Investment Advisers Act of 1940, serves as investment adviser for each of the funds. The Adviser is an indirect wholly-owned subsidiary of the Principal Life Insurance Company, an Iowa insurance company (“Principal Life”). At October 31, 1998, Principal Life and its subsidiaries owned approximately 9.5% of all the outstanding shares of the Cash Management Fund.

3. On September 14, 1998, the boards of directors of the Funds (“Boards”), including a majority of the directors who are not “interested persons” of the Funds as defined in section 2(a)(19) of the Act, approved the terms of an Agreement and Plan of Acquisition pursuant to which the Cash Management Fund will acquire all the assets and assume all the liabilities of the Tax-Exempt Fund in exchange for shares of the Cash Management Fund equal in value to the NAV of the Tax-Exempt Fund (the “Acquisition”). The Acquisition is expected to close on April 1, 1999 (the “Closing Date”). Each shareholder of the Tax-Exempt Fund will receive shares of the Cash Management Fund having an aggregate NAV equal to the aggregate NAV of the Tax-Exempt Fund’s shares held by that shareholder calculated as of 4:00 p.m. on the Closing Date.

4. The investment objectives of the Funds are substantially similar. The principal investment objective of the Cash Management Fund is to seek as high a level of current income as is consistent with the preservation of principal and maintenance of liquidity by investing in money-market instruments. Similarly, the principal investment objective of the Tax-Exempt Fund is to seek as high a level of current interest income exempt from federal income tax as is consistent with stability of principal and maintenance of liquidity by investing in high quality, short-term municipal obligations.¹

¹ In order to permit the shareholders of the Tax-Exempt Fund who wish to maintain an investment in a tax-exempt fund to do so, the Principal Tax-Exempt Bond Fund (the “Bond Fund”) intends to offer to exchange its Class A shares at no load for shares of the Tax-Exempt Fund or the shares of the Cash Management Fund issued in exchange for shares of the Tax-Exempt Fund (the “Exchange Offer”). The Exchange Offer is expected to commence the day after the Acquisition is approved by shareholders of the Tax-Exempt Fund and to continue for at least 30 days following the Closing Date. The Bond Fund, a Maryland corporation, is an open-end management investment company

5. The Boards found that participation in the Acquisition was in the best interests of each Fund and their shareholders and that the interests of the existing shareholders of each Fund would not be diluted as a result of the Acquisition. The Boards considered a number of factors in authorizing the Acquisition including: (i) possible alternatives to the Acquisition, (ii) the terms and conditions of the Acquisition and whether the Acquisition would result in dilution of shareholder interests, (iii) the advantage to the Tax-Exempt Fund shareholders of investing in a larger asset pool with greater diversification, (iv) any direct or indirect costs incurred by the Funds as a result of the Acquisition, (v) expense ratios and available information regarding fees and expenses of the Funds, (vi) the tax consequences of the Acquisition, (vii) the compatibility of the investment objectives of the Funds, and (viii) the likelihood that the shareholders of the Tax-Exempt Fund would prefer the option of selecting between the Cash Management Fund and the Bond Funds to maintaining their interests in the Tax-Exempt Fund. The Adviser will pay all expenses incurred in connection with the Acquisition.

6. The Tax-Exempt Fund intends to hold a shareholders meeting on March 31, 1999 to consider and vote on the Acquisition. Completion of the Acquisition is subject to a number of conditions precedent, in addition to the approval of the Acquisition by the Boards and the shareholders of the Tax-Exempt Fund. The Acquisition will not be considered a tax-free “reorganization,” under applicable provision of the Internal Revenue Code. Although the Acquisition will not be considered a tax-free “reorganization,” in the opinion of tax counsel to the Funds, no gain or loss will be recognized by either Fund or shareholders, in connection with the Acquisition, and the tax cost basis of the Cash Management Fund shares received by Tax-Exempt Fund shareholders will equal the tax cost basis of their shares in the Tax-Exempt Fund, although their holding period will begin anew with the Acquisition. Applicants agree that no material changes will be made to the Acquisition plan without the prior approval of the Commission staff.

Applicants’ Legal Analysis

1. Section 17(a) of the Act prohibits any affiliated person of a registered investment company, or any affiliated

registered under the Act. The Adviser serves as the investment adviser to the Bond Fund.

person of such a person, acting as principal, from knowingly selling to or purchasing from such registered company any security or other property. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include (i) any person directly or indirectly owning, controlling, or holding with the power to vote, 5% or more of the outstanding voting securities of such other person; (ii) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with the power to vote, by such other person; (iii) any person directly or indirectly controlling, controlled by, or under common control with, such other person; and, (iv) if such other person is an investment company, any investment adviser thereof.

2. Rule 17a-8 under the Act generally exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers, provided that certain conditions are satisfied.

3. Applicants state that they may not rely on rule 17a-8 in connection with the Acquisition because the Funds may be affiliated persons of each other by reasons other than those set forth in the rule. Principal Life may be deemed an affiliated person of an affiliated person of the Funds because its wholly-owned subsidiary serves as the investment adviser to the Funds. Moreover, Principal Life may be deemed an affiliated person of the Cash Management Fund Principal Life owns approximately 9% of the outstanding shares of the Cash Management Fund.

4. Section 17(b) of the Act authorizes the Commission to exempt a proposed transaction from section 17(a) of the Act if evidence establishes that the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policy of each registered investment company concerned and the general purposes of the Act.

5. Applicants request an order under section 17(b) of the Act exempting the Acquisition from section 17(a) of the Act. Applicants submit that the Acquisition satisfies the requirements of section 17(b) of the Act. Applicants note that the Boards of the Funds have determined that the Acquisition is in the best interest of the Funds and of the

shareholders of the Funds and that the Acquisition will not result in dilution of the interests of the existing shareholders of the Funds. Applicants state that the Acquisition is consistent with the principal investment objective of each Fund because each Fund operates as a money market fund and seeks to preserve capital and maintain liquidity by investing in short-term investments. Applicants state that neither Fund will incur any expenses in connection with the Acquisition because the Adviser has agreed to pay all these fees. Finally, applicants state that the exchange of the Tax-Exempt Fund's shares for shares of the Cash Management Fund will be based on relative NAVs, and, in the opinion of counsel to the Funds, no gain or loss will be recognized by either the Fund or its shareholders in connection with the Acquisition.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-1531 Filed 1-22-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of January 25, 1999.

A closed meeting will be held on Thursday, January 28, 1999, at 11:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, January 28, 1999, at 11:00 a.m., will be:

Institution and settlement of administrative proceedings of an enforcement nature.

Institution and settlement of injunctive actions.

At times, changes in Commission priorities require alternations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: January 21, 1999.

Jonathan G. Katz,
Secretary.

[FR Doc. 99-1689 Filed 1-21-99; 11:44 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40955; File No. SR-Amex-98-47]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc., Relating to the Listing and Trading of Options on the Internet Commerce Index

January 19, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 21, 1998, the American Stock Exchange LLC ("Amex" on "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex.¹ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to list and trade European-style, cash-settled options on the Internet Commerce Index ("Index"), an equal-dollar weighted, A.M.-settled new index developed by the Amex

¹ On December 21, 1998, the Amex replaced the filing's original Exhibit B, which lists the component securities of the Computer Hardware Index, with a new Exhibit B, which lists the component securities of the Internet Commerce Index. See Letter from Scott G. Van Hatten, Legal Counsel, Derivative Securities, Amex, to Yvonne Fraticelli, SEC, dated December 21, 1998. In addition, the Amex replaced the filing's original cover letter with a new cover letter indicating that the Amex is filing the proposal pursuant to Section 19(b)(3)(A) of the Act. See Letter from Scott G. Van Hatten, Legal Counsel, Derivative Securities, to Richard Strasser, Assistant Director, Division of Market Regulation ("Division"), SEC, dated December 18, 1998.