

because of the scope, formality and general effectiveness of their corrective action programs, and the extent of the NRC inspection effort associated with these facilities. However, the NRC notes that it is considering the feasibility of expanding this revised enforcement approach to other categories of licensees in the future.

Since additional changes to the Policy may be necessary to address future changes to the reactor oversight process, a more risk-informed and performance-based regulatory process, and application to other categories of licensees, this approach for Severity Level IV violations involving power reactors is being implemented by adding Appendix C to the Enforcement Policy as an interim step. The staff intends to hold a public meeting to obtain views of stakeholders six months after implementation of this interim policy.

Paperwork Reduction Act

This final policy statement does not amend information collection requirements that are subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). These requirements were approved by the Office of Management and Budget, approval number 3150-0136.

Public Protection Notification

If an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

Small Business Regulatory Enforcement Fairness Act

In accordance with the Small Business Regulatory Enforcement Fairness Act of 1996, the NRC has determined that this action is not "a major" rule and has verified this determination with the Office of Information and Regulatory Affairs, Office of Management and Budget.

Accordingly, the NRC Enforcement Policy is amended by adding Appendix C as follows:

GENERAL STATEMENT OF POLICY AND PROCEDURE FOR NRC ENFORCEMENT ACTIONS

Table of Contents

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Appendix B: Supplements—Violation Examples

Appendix C: Interim Enforcement Policy for Severity Level IV Violations Involving Activities of Power Reactors

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Appendix C: Interim Enforcement Policy for Severity Level IV Violations Involving Activities of Power Reactor Licensees

The Commission is issuing this Appendix to revise its policy with respect to Severity Level IV violations at power reactors. This is being issued as an appendix to the policy and characterized as interim because the Commission expects to make additional changes to its Enforcement Policy as a result of the efforts to improve its inspection and performance assessment programs.

This Appendix revises the NRC's treatment of individual Severity Level IV violations at power reactors by: (1) Expanding the use of Non-Cited Violations (NCVs) to include Severity Level IV violations identified by the NRC; (2) providing that except under limited, defined circumstances, individual Severity Level IV violations normally will result in NCVs and not Notices of Violation (NOVs); and (3) permitting NRC closure of most Severity Level IV violations based on their having been entered into a licensee's corrective action program.

This revised enforcement approach is not intended to modify the NRC's emphasis on compliance with requirements. Severity Level IV violations will continue to be described in inspection reports as they are now, although the NRC will close these violations based on their being entered into the licensee's corrective action program rather than a complete understanding of the licensee's corrective actions. At the time a violation is closed in an inspection report, the licensee may not have completed its corrective actions or begun the process to identify the root cause and develop action to prevent recurrence. Licensee actions will be taken commensurate with the established priorities and processes of the licensee's corrective action program. The NRC inspection program will provide an assessment of the effectiveness of the corrective action program. In addition to documentation in inspection reports, violations will continue to be entered into the Plant Issues Matrix (PIM) that the NRC maintains for each facility to assist in identifying declining performance and determining repetitiveness. The revised approach will allow licensees to dispute violations described as NCVs.

Because the NRC will not normally obtain a written response from licensees describing actions taken to restore compliance and prevent recurrence of Severity Level IV violations, this revised enforcement approach places greater NRC reliance on licensee corrective action programs. Therefore, notwithstanding the normal approach of treating most Severity Level IV violations as NCVs, the NRC has identified four circumstances in which a written response to a Severity Level IV violation may be important. Any one of the following circumstances will result in consideration of an NOV requiring a formal written response from a licensee.

1. The licensee failed to restore compliance within a reasonable time after a violation was identified.
2. The licensee did not place the violation into a corrective action program to address recurrence.

3. The violation is repetitive as a result of inadequate corrective action, and was identified by the NRC.

4. The violation was willful and is not subject to discretion pursuant to Section VII.B.1 of the Enforcement Policy.

To the extent the NRC Enforcement Policy is not modified by the above, the Policy remains applicable to power reactor licensees.

Dated at Rockville, Maryland, this 3rd day of February, 1999.

For the Nuclear Regulatory Commission.

Annette Vietti-Cook,

Secretary of the Commission.

[FR Doc. 99-3093 Filed 2-8-99; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Nuclear Regulatory Commission.

DATES: Weeks of February 8, 15, 22, and March 1, 1999.

PLACE: Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

STATUS: Public and Closed.

MATTERS TO BE CONSIDERED:

Week of February 8

Monday, February 8

2:00 p.m.—Briefing on HLW Program Viability Assessment (Public Meeting).

3:30 p.m.—Briefing by Executive Branch (Closed—Ex. 4 & 9b).

Tuesday, February 9

9:00 a.m.—Briefing on Fire Protection Issues (Public Meeting).

11:30 a.m.—Affirmation Session (Public Meeting) a: Final Rule—Requirements for Initial Operator Licensing Examinations.

Thursday, February 11

9:00 a.m.—Briefing on Y2K Issues (Public Meeting).

Week of February 15—Tentative

There are no meetings scheduled for the Week of February 15.

Week of February 22—Tentative

There are no meetings scheduled for the Week of February 22.

Week of March 1—Tentative

Tuesday, March 2

9:30 a.m.—Meeting with Commonwealth Edison (Public Meeting).

11:30 a.m.—Affirmation Session (Public Meeting (If needed)).

Wednesday, March 3

9:00 a.m.—Briefing by Executive Branch
(Closed—Ex. 4 & 9b).

*The schedule for Commission meetings is subject to change on short notice. To verify the status of meetings call (recording)—(301) 415-1292. Contact person for more information: Bill Hill, (301) 415-1661.

ADDITIONAL INFORMATION: By a vote of 5-0 on January 29, the Commission determined pursuant to U.S.C. 552b(e) and § 9.107(a) of the Commission's rules that "Affirmation of Hydro Resources Inc.: Presiding Officer's Scheduling Orders Dated January 21, 1999 And January 25, 1999" (PUBLIC MEETING) be held on January 29, and on less than one week's notice to the public."

The NRC Commission Meeting Schedule can be found on the Internet at:

<http://www.nrc.gov/SECY/smj/schedule.htm>

This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to it, please contact the Office of the Secretary, Attn: Operations Branch, Washington, D.C. 20555 (301-415-1661). In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to wmm@nrc.gov or dkw@nrc.gov.

Dated: February 5, 1999.

William M. Hill, Jr.,
Secy, Tracking Officer, Office of the Secretary.
[FR Doc. 99-3261 Filed 2-5-99; 2:50 pm]

BILLING CODE 7590-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23678; File No. 812-11302]

AAL Variable Product Series Fund, Inc., et al.; Notice of Application

February 2, 1999.

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

ACTION: Notice of application for an order pursuant to section 6(c) of the Investment Company Act of 1940 ("1940 Act") granting relief from sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

SUMMARY OF APPLICATION: Applicants seek an order to permit shares of certain series of the AAL Variable Product Series Fund, Inc. that are designed to fund insurance products ("Funds") and

shares of any other investment company that is designed to fund insurance products and for which Aid Association for Lutherans or any of its affiliates may serve as investment adviser, administrator, manager, principal underwriter, or sponsor (collectively with the Funds, the "Insurance Product Funds") to be sold to and held by: (1) Separate accounts funding variable annuity and variable life insurance contracts ("Separate Accounts") of both affiliated and unaffiliated life insurance companies ("Participating Insurance Companies"); and (2) qualified pension and retirement plans ("Plans").

APPLICANTS: The AAL Variable Product Series Fund, Inc. ("Company") and Aid Association for Lutherans ("Adviser").

FILING DATE: The application was filed on September 11, 1998, and amended and restated on December 9, 1998.

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 Secretary of the SEC and serving applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on March 1, 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 may request notification of the date of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington DC 20549. Applicants, 125 North Superior Avenue, Appleton, Wisconsin 54911.

FOR FURTHER INFORMATION CONTACT: Elisa D. Metzger, Senior Counsel, or Susan Olson, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, NW., Washington DC 20549 (tel. (202) 942-8090).

Applicant's Representations

1. The Company is a Maryland corporation and is organized under the 1940 Act as a diversified, open-end management investment company. The Company is comprised of seven series, each with its own investment objective or objectives and policies.

2. The Company may in the future create additional series and/or issue multiple classes of shares of each series.

3. The Adviser, is registered under the Investment Advisers Act of 1940 and is a non-profit, non-stock membership organization licensed to do business as a fraternal benefit society.

4. Shares of the Funds may be offered to Separate Accounts, which are either registered or unregistered under the federal securities laws, that fund variable annuity contracts or variable life insurance policies ("Contracts"). Shares of the Funds may also be offered to Plans.

Applicants' Legal Analysis

1. Section 6(c) of the 1940 Act authorizes the Commission, by order upon application, to conditionally or unconditionally exempt any person, security or transaction, or any class or classes of persons, securities or transactions from any provisions of the 1940 Act or the rules promulgated thereunder, if and 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 1940 Act.

2. In connection with the funding of scheduled premium variable life insurance contracts issued through a separate account registered under the 1940 Act as a unit investment trust, Rule 6e-2(b)(15) under the 1940 Act provides partial exemptions from sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act. The exemptions granted by Rule 6e-2(b)(15) are available, however, only where all of the assets of the separate account consist of the shares of one or more registered management investment companies which offer their shares "exclusively to variable life insurance separate accounts of the life insurer, or of any affiliated life insurance company" (emphasis added). Therefore, the relief granted by Rule 6e-2(b)(15) is not available with respect to a scheduled premium variable life insurance separate account that owns shares of a management company that also offers its shares to variable annuity and variable life insurance separate accounts of the same insurance company or any other insurance company or to trustees of a Plan. The use of a common management investment company as the underlying investment medium for a variable annuity or a variable life insurance separate account of the same insurance company or of any affiliated life insurance company is referred to herein as "mixed funding." In addition, the