

with the other person, and (d) if the other person is an investment company, any investment adviser of that company. Applicants state that the Funds may be deemed affiliated persons and, thus, the Reorganization may be prohibited by section 17(a).

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) of the Act 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 set forth in the rule are satisfied. Applicants believe that rule 18a-8 may not be available in connection with the Reorganization because the Funds may be deemed to be affiliated for reasons other than those set forth in the rule. Applicants state that subsidiary banks of SunTrust own in the aggregate, as a fiduciary, 25% or more of the outstanding voting securities of each Fund; therefore, SunTrust may be deemed to be an affiliated person of the Funds, resulting in the Acquired Fund being an affiliated person of an affiliated person of the Acquiring Fund. Applicants also state that the Funds, by virtue of the above ownership, may be deemed to be under common control and therefore affiliated persons of each other.

3. Section 17(b) of the Act provides, in relevant part, that the Commission may exempt a transaction from the provisions of section 17(a) if the evidence establishes that the terms of the proposed 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 that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

4. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) of the Act to the extent necessary to complete the Reorganization. Applicants submit that the Reorganization satisfies the standards of section 17(b) of the Act. Applicants state that the terms of the proposed Reorganization are fair and reasonable and do not involve overreaching. Applicants state that the investment objectives and policies of the Acquired Fund are substantially similar to those of the Acquiring Fund. Applicants also state that the Board, including all of the Independent Trustees, has made the requisite determinations that the participation of

the Acquired and Acquiring Funds in the Reorganization is in the best interests of each Fund and that such participation will not dilute the interests of the existing shareholders of each Fund. In addition, Applicants state that the Reorganization will be on the basis of relative net asset value.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 01-9710 Filed 4-18-01; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34029]

Archer-Daniels-Midland Company—Control Exemption—BQ Railroad Company and Iowa Interstate Railroad, Ltd.

Archer-Daniels-Midland Company (ADM), a noncarrier, has filed a notice of exemption to indirectly control two carriers, BQ Railroad Company (BQRR), a Class III railroad, and Iowa Interstate Railroad, Ltd. (IAIS), a Class II railroad.¹

The transaction was scheduled to be consummated on or shortly after April 6, 2001, the effective date of the exemption (7 days after the exemption was filed).

This transaction is related to STB Finance Docket No. 34028, *BQ Railroad Company—Acquisition and Operation Exemption—Certain Lines of The Burlington Northern and Santa Fe Railway Company*, wherein BQRR is seeking an exemption to acquire and operate approximately 1.64 miles of rail line at Rogers, in Barnes County, ND, purchased by its parent company B-Q from The Burlington Northern and Santa Fe Railway Company.

ADM states that: (i) These railroads do not connect with each other; (ii) the acquisition of control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family; and (iii) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

¹ ADM owns 60.6% of the common stock of Heartland Railroad Corporation, a noncarrier holding company, which in turn owns 80.1% of the common stock of IAIS, which operates in the States of Iowa and Illinois. ADM also indirectly controls Benson-Quinn Company (B-Q), which in turn controls BQRR.

To ensure that all employees who may be affected by the transaction are provided protection as required by 49 U.S.C. 10502(g) and 11326(b), the labor protective conditions proposed by the applicants will be imposed as follows:

. . . a fair arrangement at least as protective of the interests of employees who are affected by the transaction as the terms imposed under section 5(2)(f) of the Interstate Commerce Act before February 5, 1976, and the terms established under Section 24706(c) of Title 49, United States Code, except that such arrangement shall be limited to one year of severance pay, which shall not exceed the amount of earnings from the rail employment of that employee during the 12-month period immediately preceding the date of this application. The amount of such severance pay shall be reduced by the amount of earnings from railroad employment of that employee with the acquiring carrier during the 12-month period immediately following the effective date of the transaction.

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34029, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Andrew P. Goldstein, McCarthy, Sweeney & Harkaway, P.C., Suite 600, 2175 K Street, NW., Washington, DC 20037.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: April 12, 2001.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. 01-9588 Filed 4-18-01; 8:45 am]

BILLING CODE 4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34028]

BQ Railroad Company—Acquisition and Operation Exemption—Certain Lines of The Burlington Northern and Santa Fe Railway Company

BQ Railroad Company (BQRR), a noncarrier,¹ has filed a notice of

¹ BQRR is a wholly owned subsidiary of Benson-Quinn Company (B-Q). B Q has entered into an agreement with BNSF to purchase BNSF's interests