

2. Strategic Planning.
3. Fiscal Year 2003 Integrated Financial Plan.
4. Office of Inspector General Fiscal Year 2003 Budget.
5. Proposed Postal Rate Commission Filings for Targeted Pricing Initiatives.
6. Personnel Matters and Compensation Issues.

Friday, September 6—8:30 a.m. (Open)

1. Minutes of the Previous Meeting, August 5–6, 2002.
2. Remarks of the Postmaster General and CEO.

Friday, September 6—8:30 a.m. (Open) [continued]

3. Postal Rate Commission Fiscal Year 2003 Budget.
4. Fiscal Year 2002 Borrowing Resolution.
5. Fiscal Year 2003 Annual Performance Plan—Government Performance and Results Act.
6. Fiscal Year 2003 Operating and Financing Plan.
7. Fiscal Year 2003 Capital Investment Plan.
8. Preliminary Fiscal Year 2004 Appropriation Request.
9. Capital Investments.
 - a. General Ledger System Replacement.
 - b. Mixed Delivery and Collection Vehicles.
 - c. Office of Inspector General—Office Space Additional Funding Request.
 - d. 76 Automated Package Processing Systems.
10. Tentative Agenda for the October 7–8, 2002, meeting in Memphis, Tennessee.

CONTACT PERSON FOR MORE INFORMATION:
William T. Johnstone, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, SW., Washington, DC 20260–1000. Telephone (202) 268–4800.

William T. Johnstone,
Secretary.

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RAILROAD RETIREMENT BOARD

Agency Forms Submitted for OMB Review

Summary: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Railroad Retirement Board (RRB) has submitted the following proposal(s) for the collection of information to the Office of Management and Budget for review and approval.

Summary of proposal(s):

- (1) *Collection title:* Continuing Disability Report.
- (2) *Form(s) submitted:* G–254, G–254a.
- (3) *OMB Number:* 3220–0187.
- (4) *Expiration date of current OMB clearance:* 11/30/2002.
- (5) *Type of request:* Revision of a currently approved collection.
- (6) *Respondents:* Individuals or households, Business or other for-profit.
- (7) *Estimated annual number of respondents:* 1,500.
- (8) *Total annual responses:* 3,000.
- (9) *Total annual reporting hours:* 748.
- (10) *Collection description:* Under the

Railroad Retirement Act, a disability annuity can be reduced or not paid, depending on the amount of earnings and type of work performed. The collection obtains information about a disabled annuitant's employment and earnings.

Additional Information or Comments: Copies of the forms and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312–751–3363).

Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, 60611–2092 and to the OMB Desk Officer for the RRB, at the Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503.

Chuck Mierzwa,
Clearance Officer.

[FR Doc. 02–22287 Filed 8–29–02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Rule 31a-2, SEC File No. 270–174, OMB Control No. 3235–0179

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 31(a)(1) of the Investment Company Act of 1940 (the “Act”) requires registered investment

companies (“funds”) and certain principal underwriters, broker-dealers, investment advisers and depositors of funds to maintain and preserve records as prescribed by Commission rules.¹ Rule 31a-1 specifies the books and records each of these entities must maintain.² Rule 31a-2, which was adopted on April 17, 1944, specifies the time periods that entities must retain books and records required to be maintained under rule 31a-1.³

Rule 31a-2 requires the following:

1. Every fund must preserve permanently, and in an easily accessible place for the first two years, all books and records required under rule 31a-1(b)(1)-(4).⁴

2. Every fund must preserve for at least six years, and in an easily accessible place for the first two years: (a) all books and records required under rule 31a-1(b)(5)-(12);⁵ (b) all vouchers, memoranda, correspondence, checkbooks, bank statements, canceled checks, cash reconciliations, canceled stock certificates and all schedules that support each computation of net asset value of fund shares; and (c) any advertisement, pamphlet, circular, form letter or other sales literature addressed or intended for distribution to prospective investors.

3. Every underwriter, broker or dealer that is a majority-owned subsidiary of a fund must preserve records required to be preserved by brokers and dealers under rules adopted under section 17 of the Securities Exchange Act (“section 17”) for the periods established in those rules.

4. Every depositor of any fund, and every principal underwriter of any fund other than a closed-end fund, must preserve for at least six years records

¹ 15 U.S.C. 80a-30(a)(1).

² 17 CFR 270.31a-1.

³ 17 CFR 270.31a-2.

⁴ 17 CFR 270.31a-1(b)(1)-(4). These include, among other records, journals detailing daily purchases and sales of securities or contracts to purchase and sell securities, general and auxiliary ledgers reflecting all asset, liability, reserve, capital, income and expense accounts, separate ledgers reflecting, separately for each portfolio security as of the trade date all “long” and “short” positions carried by the fund for its own account, and corporate charters, certificates of incorporation and by-laws.

⁵ 17 CFR 270.31a-1(b)(5)-(12). These include, among other records, records of each brokerage order given in connection with purchases and sales of securities by the fund, all other portfolio purchases, records of all puts, calls, spreads, straddles or other options in which the fund has an interest, has granted, or has guaranteed, records of proof of money balances in all ledger accounts, files of all advisory material received from the investment adviser, and memoranda identifying persons, committees or groups authorizing the purchase or sale of securities for the fund.

required to be preserved by brokers and dealers under rules adopted under section 17 to the extent the records are necessary or appropriate to record the entity's transactions with the fund.

5. Every investment adviser that is a majority-owned subsidiary of a fund must preserve the records required to be maintained by investment advisers under rules adopted under section 204 of the Investment Advisers Act of 1940 ("section 204") for the periods specified in those rules.

6. Every investment adviser that is not a majority-owned subsidiary of a fund must preserve for at least six years records required to be maintained by registered investment advisers under rules adopted under section 204 to the extent the records are necessary or appropriate to reflect the adviser's transactions with the fund.

The records required to be maintained and preserved under this part may be maintained and preserved for the required time by, or on behalf of, an investment company on (i) micrographic media, including microfilm, microfiche, or any similar medium, or (ii) electronic storage media, including any digital storage medium or system that meets the terms of this section. The investment company, or person that maintains and preserves records on its behalf, must arrange and index the records in a way that permits easy location, access, and retrieval of any particular record.⁶

The Commission periodically inspects the operations of all funds to ensure their compliance with the provisions of the Act and the rules under the Act. The Commission staff spends a significant portion of their time in these inspections reviewing the information contained in the books and records required to be kept by rule 31a-1 and to be preserved by rule 31a-2.

⁶In addition, the fund, or whoever maintains the documents for the fund must provide promptly any of the following that the Commission (by its examiners or other representatives) or the directors of the company may request: (A) a legible, true, and complete copy of the record in the medium and format in which it is stored; (B) a legible, true, and complete printout of the record; and (C) means to access, view, and print the records; and separately store, for the time required for preservation of the original record, a duplicate copy of the record on any medium allowed by this section. In the case of records retained on electronic storage media, the investment company, or person that maintains and preserves records on its behalf, must establish and maintain procedures: (i) to maintain and preserve the records, so as to reasonably safeguard them from loss, alteration, or destruction; (ii) to limit access to the records to properly authorized personnel, the directors of the investment company, and the Commission (including its examiners and other representatives); and (iii) to reasonably ensure that any reproduction of a non-electronic original record on electronic storage media is complete, true, and legible when retrieved.

There are approximately 4,500 active investment companies registered with the Commission as of April 30, 2002, all of which are required to comply with rule 31a-2. Based on conversations with representatives of the fund industry, the Commission staff estimates that each fund spends about 210 hours per year complying with rule 31a-2, for a total annual burden for the fund industry of approximately 945,000 hours.⁷

The Commission staff estimates the average cost of preserving books and records required by rule 31a-2, to be approximately \$.000035 per \$1.00 of net assets per year.⁸ With the total net assets of all funds at about \$7 trillion,⁹ the staff estimates that compliance with rule 31a-2 costs the fund industry approximately \$245 million per year.¹⁰ The Commission staff estimates, however, based on past conversations with representatives of the fund industry, that funds could spend as much as half of this amount (\$122.4 million) to preserve the books and records that are necessary to prepare financial statements, meet various state reporting requirements, and prepare their annual federal and state income tax returns.

These estimates of average costs are made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Written comments are invited on: (a) Whether the collections of information are necessary for the proper

⁷Commission staff surveyed several fund representatives to determine the current burden hour estimate. The staff found that an average fund spends approximately 210 hours per annum complying with rule 31a-2 (210 hours x 4,500 registered investment companies = 945,000). Although the Commission did not change its collection of information requirements in rule 31a-2, the fund representatives' estimates reflect an annual increase of 182 hours per fund over the burden of 27.8 hours estimated in the 1998 PRA submission. The change in annual hours is based upon an increase in the estimated time each fund spends complying with the rule.

⁸The staff estimated the annual cost of preserving the required books and records by identifying the annual costs for several funds and then relating this total cost to the average net assets of these funds during the year. The staff estimates that the annual cost of preserving records is \$70,000 per fund; the funds queried in support of this analysis had an average asset base of approximately \$2 billion (70,000/2 billion = .000035).

⁹See Investment Company Institute, 2002 Mutual Fund Fact Book, at 61.

¹⁰This estimate is based on the annual cost per dollar of net assets of the average fund as applied to the net assets of all funds (\$7 trillion x .000035 = \$244.7 million).

performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collections of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, Mail Stop 0-4, 450 5th Street, NW Washington, DC 20549.

Dated: August 22, 2002.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25717; 812-12174]

Reserve Private Equity Series, et al., Notice of Application

August 26, 2002.

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

ACTION: Notice of an application for an order under section 12(d)(1)(f) of the Investment Company Act of 1940 ("Act") for an exemption from sections 12(d)(1)(A) and (B) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, and under section 17(d) of the Act and rule 17d-1 under the Act to permit certain joint transactions.

SUMMARY: The requested order would permit certain registered open-end investment companies to use uninvested cash to invest in affiliated money market funds, and the money market funds to sell shares to, and redeem shares from, the investment companies.

APPLICANTS: Reserve Private Equity Series (the "Equity Fund"), The Reserve Fund, Reserve Tax-Exempt Trust, Reserve New York Tax-Exempt Trust, Reserve Municipal Money Market Trust (the "Money Market Funds," together with the Equity Fund, the "Trusts"), Reserve Management Company, Inc.