electronic message to wmh@nrc.gov or dkw@nrc.gov.

* * * * *

Dated: October 17, 1997.

William M. Hill, Jr.

SECY Tracking Officer, Office of the Secretary.

[FR Doc. 97–27999 Filed 10–17–97; 2:16 pm]

BILLING CODE 7590–01–M

POSTAL SERVICE BOARD OF GOVERNORS

Sunshine Act Meeting; Notification of Item Added to Meeting Agenda

DATE OF MEETING: October 6, 1997.

STATUS: Closed.

PREVIOUS ANNOUNCEMENT: 62 FR 51169, September 30, 1997.

CHANGE: At its meeting on October 6, 1997, the Board of Governors of the United States Postal Service voted unanimously to add an item to the agenda of its closed meeting held on that date: Compensation Issues.

CONTACT PERSON FOR MORE INFORMATION: Thomas J. Koerber, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, SW., Washington, DC 20260–1000. Telephone (202) 268–4800.

Thomas J. Koerber,

Secretary.

[FR Doc. 97–28019 Filed 10–17–97; 3:22 pm]

BILLING CODE 7710–12–M

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.

Extention: Rule 17a–23 and Form 17A–23; SEC File No. 270–387; OMB Control No. 3235–0442.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), 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 for extension and approval.

• Rule 17a–23 and Form 17A–23 Recordkeeping and Reporting Requirements Relating to Broker-Dealer Trading Systems

Rule 17a–23 and Form 17A–23, under the Securities Exchange Act of 1934 establish recordkeeping and reporting requirements for approximately 143 registered broker-dealers that operate certain automated trading systems (''Broker-Dealer Trading System'' or ''BDTS''). Rule 17a–23 requires any registered broker-dealer that sponsors a BDTS to maintain participant, volume, and transaction records. Rule 17a–23 and Form 17A–23 also require system sponsors to submit three reports to the Commission and, under certain circumstances, to an appropriate self-regulatory organization. These recordkeeping requirements assist the Commission with monitoring broke-dealers that operate BDTSs and with ensuring compliance with Rule 17a–23.

The Commission staff estimates the average number of hours necessary for each BDTS sponsor to comply with Rule 17a–23 is 46 hours annually. The total burden is 6,542 hours annually for the broker-dealers operating BDTSs, based upon past submissions. The average cost per hour is approximately $7.00. Therefore, the total annual cost of compliance for the 143 broker-dealers operating BDTSs is $46,046.00.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection on respondents, including through the use 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, 450 Fifth Street, N.W. Washington, D.C. 20549.

Dated: October 14, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–27762 Filed 10–20–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22856; 812–10632]

Smith Barney Muni Funds, et al.; Notice of Application

October 14, 1997.

AGENCY: Securities and Exchange Commission (''SEC'').

ACTION: Notice of application under section 17(b) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Order requested to allow a series of a registered investment company to acquire substantially all of the assets and certain liabilities of another of its series. Because of certain affiliations, applicants may not rely on rule 17a–8 under the Act.

APPLICANTS: Smith Barney Muni Funds (the ''Trust''), Smith Barney Mutual Funds Management Inc. (''SBMFM''), and Smith Barney Inc. (''Smith Barney'')

FILING DATES: The application was filed on April 22, 1997, and amended on August 20, 1997.

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 November 10, 1997, and should be accompanied by proof of service on applicants, in the from 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, N.W., Washington, D.C. 20549. Applicants, 388 Greenwich Street, 22nd Floor, New York, New York 10013. Attention: Christina T. Sydor, Esq.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisley, Staff Attorney, at (202) 942–0517, or Christine Y. Greenlees, 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 at the SEC's Public Reference Branch, 450 Fifth

Street, N.W., Washington, D.C. 20549 (tel. 202–942–8090).

Applicants' Representations

1. The Trust, a Massachusetts business trust, is an open-end management investment company registered under the Act.[1] The Trust currently consists of nine series, including the Ohio Portfolio (the ''Acquired Portfolio'') and the National Portfolio (the ''Acquiring Portfolio,'' and, collectively with the Acquired Portfolio, the ''Portfolios'').

2. SBMFM is the investment adviser to the Portfolios. Smith Barney is the Trust's distributor. As of February 28, 1997, Smith Barney owned 11.2% of the outstanding shares of the Acquired Portfolio. SBMFM and Smith Barney are both wholly-owned subsidiaries of Smith Barney Holdings Inc. (''Holdings'').

3. On September 4, 1996, the board of trustees of the Trust (the ''Board''), including its disinterested trustees, unanimously approved the reorganization (the ''Reorganization'') described in a Plan of Reorganization (the ''Reorganization Plan''). Pursuant to the Reorganization Plan, the Acquiring Portfolio proposes to acquire all or substantially all of the assets and certain liabilities of the Acquired Portfolio in exchange for shares of the Acquiring Portfolio based on the Portfolios' relative net asset values. The number of full and fractional shares of the Acquiring Portfolio to be issued to shareholders of the Acquired Fund will be determined by dividing the value of the Acquired Portfolio's assets, less liabilities, attributable to each class of shares by the net asset value of one share of the same class of the Acquiring Portfolio, computed as of the close of regular trading on the New York Stock Exchange, Inc. on or about the date on which the closing presently is expected to occur, December 12, 1997 (the ''Closing Date'').

4. Each Portfolio offers four classes of shares. Class A shares of both Portfolios are sold with a front-end sales charge. Class B and Class C shares of both Portfolios are sold without a front-end sales charge but are subject to a contingent deferred sales charge (''CDSC''). Classd Y shares of both Portfolios are sold without an initial sales charge or CDSC and are available only to investors investing a minimum of $5 million. There are no Class Y shareholders of the Acquired Portfolio.

5. Class A, Class B, and Class C shares of both Portfolios are sold subject to distribution plans adopted pursuant to rule 12b–1 under the Act. Under their respective plans, the Portfolios pay Smith Barney a service fee at the annual rate of 0.15% of the value of each Portfolio's average daily net assets attributable to each Portfolio's Class A, Class B, and Class C shares. In addition, each Portfolio's Class B and Class C shares pay a distribution fee at an annual rate of 0.50% and 0.55%, respectively, of the value of the Portfolio's average daily net assets attributable to those shares.

6. Each Portfolio pays SBMFM a management fee at the annual rate of 0.45% of the value of its average daily net assets. SBMFM currently is waiving this fee for the Acquired Portfolio.

7. Both Portfolios seek a high level of income exempt from Federal income taxes, although the Acquired Portfolio also seeks to pay its shareholders a high level of income exempt from Ohio personal income taxes. The other investment policies and practices of the Portfolios are substantially similar. As of February 28, 1997, the net assets of the Acquired Portfolio were $7.8 million, and the net assets of the Acquiring Portfolio were $385.6 million.

8. Prior to the Closing Date, the Acquired Portfolio will use its best efforts to discharge all of its known liabilities and obligations. On or before the Closing Date, the Acquired Portfolio will have declared a dividend and/or other distribution so that it will have distributed all of its investment company taxable income, exempt-interest income, and realized net capital gain, if any, for the taxable year ending on or prior to the Closing Date.

9. As soon as practicable after the Closing Date, the Acquired Portfolio will liquidate and distribute *pro rata* to its shareholders of record, determined as of the close of business on the Closing Date, the shares of the Acquiring Portfolio received by it pursuant to the Reorganization. The liquidation and distribution will be accomplished by establishing accounts in the names of the Acquired Portfolio shareholders, each account representing the respective *pro rata* number of shares of the Acquiring Portfolio due to the Acquired Portfolio shareholders. Class A, Class B, and Class C shareholders of the Acquired Portfolio will receive Class A, Class B, and Class C shares, respectively, of the Acquiring Portfolio. After the distribution and winding up of its affairs, the Acquired Portfolio will be liquidated.

10. In considering the advisability of the Reorganization Plan, the Board, including its disinterested trustees, found that the Reorganization is in the best interests of each Portfolio and that the interests of existing shareholders of each Portfolio will not be diluted as a result of the Reorganization.

11. The Board considered a number of factors in making its findings, including: (a) the terms and conditions of the Reorganization; (b) the tax-free nature of the Reorganization; (c) the costs of the Reorganization to the Portfolios; (d) the compatibility of the objectives, policies, and restrictions of the Portfolios; (e) the savings in expenses borne by shareholders expected to be realized by the Reorganization; and (f) the potential benefits to the Portfolios' affiliates, including SBMFM, Smith Barney, and Holdings.

12. The Board also considered that combining the Portfolios should benefit the Acquired Portfolio's shareholders because the much greater size of the Acquiring Portfolio enables it to invest more effectively, to achieve certain economies of scale and, in turn, potentially to increase its operating efficiencies and facilitate portfolio management. During the Board's consideration of the Reorganization, it was noted that shareholders of the Acquired Portfolio would no longer have the benefit of a fund which seeks income exempt from Ohio personal income taxes. However, the Acquired Portfolio was not considered to have sufficient assets to justify maintaining it as a standing alone fund, and no potential for substantial future growth was foreseen.

13. Smith Barney will be responsible for the expenses incurred in connection with the Reorganization, except that each Portfolio will be liable for any fees and expenses of its transfer agent incurred in connection with the Reorganization and the Acquired Portfolio will be liable for all fees and expenses incurred relating to its liquidation. The Reorganization expenses will include professional fees and the cost of soliciting proxies for the meeting of the Acquired Portfolio shareholders, consisting principally of printing and mailing expenses, together with the cost of any supplementary solicitation. The Reorganization Plan provides that it may be terminated by the Board at any time prior to the Closing Date if circumstances should develop that, in the opinion of the Board, make proceeding with the Reorganization Plan inadvisable. If the Board determines, prior to the Closing Date, that proceeding with the Reorganization would be inadvisable,

[1] The Trust was organized on August 14, 1985, under the name Test Managed Municipal Bond Funds. On April 23, 1986, July 31, 1991, and July 20, 1993, the Trust's name was changed to The Muni Bond Funds, Smith Barney Muni Bond Funds, and Smith Barney Muni Funds, respectively.

the Reorganization Plan provides that each Portfolio will bear any expenses it has incurred incidental to the preparation and carrying out of the Reorganization Plan.

14. A registration statement on Form N–14 containing a combined prospectus/proxy statement has been filed with the SEC. Applicants expect to send the prospectus/proxy statement to shareholders of the Acquired Portfolio in October 1997 for their approval at a meeting of shareholders scheduled to be held on or about November 21, 1997.

15. The consummation of the Reorganization is subject to the following conditions set forth in the Reorganization Plan: (a) the shareholders of the Acquired Portfolio will have approved the Reorganization Plan; and (b) the parties will have received exemptive relief from the SEC with respect to the issues that are the subject of the application. Applicants agree not to make any material changes to the Reorganization Plan that affect the application without prior SEC approval.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from selling any security to, or purchasing any security from the company. Section 2(a)(3) of the Act defines an ''affiliated person'' of another person to include any person that owns 5% or more of the outstanding voting securities of such other person and any person directly or indirectly controlling, controlled by, or under common control with such other person; or, if the other person is an investment company, any investment adviser of the investment company.

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

3. Applicants believe that they may not rely upon rule 17a–8 because the Portfolios may be affiliated for reasons other than those set forth in the rule. Smith Barney owns 5% or more of the outstanding voting securities of the Acquired Portfolio. Because of this ownership, the Acquiring Portfolio may be deemed an affiliated person of an affiliated person of the Acquired Portfolio, and vice versa, for reasons not based solely on their common adviser. Consequently, applicants are requesting an order pursuant to section 17(b) of the Act exempting them from section 17(a) to the extent necessary to consummate the Reorganization.

4. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if 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; the proposed transaction is consistent with the policy of each registered investment company concerned; and the proposed transaction is consistent with the general purposes of the Act.

5. Applicants submit that the terms of the Reorganization satisfy the standards set forth in section 17(b), in that the terms are fair and reasonable and do not involve overreaching on the part of any person concerned. Applicants note that the Board, including the disinterested trustees, has reviewed the terms of the Reorganization as set forth in the Reorganization Plan, including the consideration to be paid or received, and has found that participation in the Reorganization is the best interests of each Portfolio and that the interests of the existing shareholders of each Portfolio will not be diluted as a result of the Reorganization. Applicants also note that the exchange of the Acquired Portfolio's assets and certain liabilities for the Acquiring Portfolio shares will be based on the Portfolio's relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–27761 Filed 10–20–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39236; File No. SR–DCC–97–04]

Self-Regulatory Organizations; Delta Clearing Corp.; Order Granting Approval of a Proposed Rule Change Relating to the Combining of Options and Repo Procedures

October 14, 1997.

On March 17, 1997, Delta Clearing Corp. (''Delta'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change (File No. SR–DCC–97–04) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'').[1] Delta amended the proposed rule change on May 7, 1997, and May 29, 1997. Notice of the proposal was published in the **Federal Register** on September 3, 1997.[2] No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The proposal combines Delta's procedures for the clearance and settlement of options trades (''Options Procedures'') and Delta's procedures for the clearance and settlement of repurchase and reverse repurchase (''repo'') agreement transactions (''Repo Procedures'') into one set of procedures entitled the Procedures for the Clearing of Securities and Financial Instrument Transactions (''Combined Procedures'').

The Combined Procedures allow Delta to integrate the processing of options and repo transactions. For example, the Combined Procedures consolidate the definitions of many terms (*e.g.*, contract, position, and holder) to make these terms applicable to both option and repos.[3] The Combined Procedures also clarify that calculations of a participant's exposure limit and the maximum potential system exposure (''MPSE'') are determined on an aggregate system-wide basis by providing for a single uniform definition of these terms and by providing in Section 204 of the Combined Procedures that each participant agrees to conduct all transactions cleared through the system within such participant's exposure limit.[4]

Similarly, Section 307 of the Combined Procedures provides that Delta has a security interest in all money and securities of a participant as security for payment of any liability of such participant to Delta arising from participation in the system. Upon the occurrence of a participant default,[5] Delta may liquidate all of a participant's repo and options positions contained in the defaulting participant's account through one liquidating settlement account established for such participant. The Combined Procedures combine the margin provisions for repos and options to clarify that a participant is required to deposit margin based upon its

[1] 15 U.S.C. 78s(b)(1).

[2] Securities Exchange Act Release No. 38971 (August 26, 1997), 62 FR 46530.

[3] The Combined Procedures also provide for more uniform use of the terms ''repo'' and ''repurchase agreement.''

[4] Both the exposure limit and MPSE are designed to limit Delta's uncollateralized exposure to each participant.

[5] The Combined Procedures contain a new term, ''participant default,'' which means a payment default, a delivery default, a premium default, or a margin default.