

to rely on Rule 6e-2(b)(15) and/or Rule 6e-3(T)(b)(15), as appropriate, and to comply with all of the appropriate Rule's conditions. In the event that 6e-2 and/or Rule 6e-3(T) is amended, or any successor rule is adopted, each participating insurance company and VLI account will instead comply with such amended or successor rule.

3. In addition to the foregoing conditions, Applicants consent to the following conditions and represent and agree that if the exemptions requested herein are granted, the Trust will not sell shares of any Fund to a plan if such sale would result in the plan owning 10% more of that Fund's outstanding shares unless the plan first enters into a participation agreement with the Trust containing provisions that require the following:

a. The trustees or plan committees of the plan will: (1) Monitor the plan's operations and those of the Trust for the purpose of identifying any material irreconcilable conflicts or potential material irreconcilable conflicts between or among the interests of plan investors, VA owners and VLI owners, (2) report any such conflicts or potential conflicts to the Trust's board of trustees, (3) provide the board, at least annually, with all information reasonably necessary for the board to consider any issues raised by such existing or potential conflicts and any other information and reports that the board may reasonably request, (4) inform the board whenever it (or another fiduciary) disregards the voting instructions of plan participants (of a plan that provides voting rights to its participants), and (5) ensure that the plan votes Trust shares as required by applicable law and governing plan documents. The trustees or plan committees of the plan will carry out these obligations with a view only to the interests of plan investors in its plan.

b. In the event that a conflict of interest arises between plan investors and VA owners, VLI owners or other investors in the Trust, each plan will, at its own expense, take whatever action is necessary to remedy such conflict as it adversely affects that plan or participants in that plan up to and including: (1) Establishing a new registered management investment company, and (2) withdrawing plan assets subject to the conflict from the Trust and reinvesting such assets in a different investment medium (including another Fund of the Trust) or submitting the question of whether such withdrawal should be implemented to a vote of all affected plan investors and, as appropriate, segregating the assets of any group of such participants that

votes in favor of such withdrawal, or offering to such participants the option of making such a change. Each plan will carry out the responsibility to take the foregoing action with a view only to the interests of plan investor in its plan. Notwithstanding the foregoing, no plan will be obligated to establish a new funding medium for any group of participants or plan investors if an offer to do so has been declined by a vote of a majority of the plan's participants or plan investors adversely affected by the conflict.

c. If a material irreconcilable conflict arises because of a plan trustee's (or other fiduciary's) decision to disregard the voting instructions of plan participants (of a plan that provides voting rights to its participants) and that decision represents a minority position or would preclude a majority vote at any shareholder meeting, then, at the request of the Trust's board of trustees, the plan will redeem the shares of the Trust to which the disregarded voting instructions relate. No charge or penalty, however, will be imposed in connection with such a redemption.

4. Applicants also represent and agree that if the exemptions requested herein are granted, the Trust will not sell shares of any Fund to a plan until the plan executes an application containing an acknowledgement of the condition that the Trust cannot sell shares of any Fund if such sale would result in that plan owning 10% or more of the Fund's outstanding shares unless that plan first enters into a participation agreement as described above.

#### Conclusion

For the reasons summarized above, Applicants assert that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

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

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-1040 Filed 1-14-98; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39526; File No. 600-23]

### Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing of an Application for Clearing Agency Registration

January 8, 1998.

Notice is hereby given that on October 2, 1997, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") an application, pursuant to Sections 17A and 19(a) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> requesting that the Commission grant GSCC full registration as a clearing agency or in the alternative extend GSCC's temporary registration as a clearing agency until such time as the Commission is able to grant GSCC permanent registration.<sup>2</sup> The Commission is publishing this notice to solicit comments from interested persons.

On May 24, 1988, the Commission approved pursuant to Sections 17A and 19(a) of the Act and Rule 17Ab2-1(c) promulgated thereunder<sup>3</sup> the application of GSCC for registration as a clearing agency for a period of three years.<sup>4</sup> The Commission subsequently has extended GSCC's registration until February 28, 1998.<sup>5</sup>

GSCC provides clearance and settlement services for its members' transactions in government securities. GSCC offers its members services for next-day settling trades, forward settling trades, auction takedown activity, and repurchase transactions. In connection with GSCC's clearance and settlement services, GSCC provides a centralized loss allocation procedure and maintains margin to offset netting and settlement risks.

GSCC believes that it should obtain permanent registration and has implemented several changes in the past year to enhance its operations. The Commission has recently approved GSCC's proposed rule change that institutes new election procedures for

<sup>1</sup> 15 U.S.C. 78q-1, 78s(a).

<sup>2</sup> Letter from Sal Ricca, President and Chief Operating Officer, GSCC (September 25, 1997).

<sup>3</sup> 17 CFR 240.17Ab2-1.

<sup>4</sup> Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19639.

<sup>5</sup> Securities Exchange Act Release Nos. 29067 (April 11, 1991), 56 FR 14542; 32385 (June 3, 1993), 58 FR 32405; 35787 (May 31, 1995), 60 FR 30324; 36508 (November 27, 1995), 60 FR 61719; 37983 (November 25, 1996), 61 FR 64183; and 39698 (May 30, 1997), 62 FR 30911.

GSCC's board of directors.<sup>6</sup> Finally, GSCC has received Commission approval for several enhancements to its risk management procedures.<sup>7</sup>

In the order initially granting GSCC temporary registration, the Commission discussed the need for GSCC to amend its standard of care to an ordinary negligence standard for all functions affecting settlement of government securities. GSCC is working with the Commission to develop the appropriate liability structure.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with Section 19(a)(1) of the Act.<sup>8</sup> Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. Copies of the amended application for registration and all written comments will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, DC 20549. All submissions should refer to File No. 600-23 and should be submitted by February 5, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Jonathan G. Katz,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26813]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

January 9, 1998.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by February 2, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of serve (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

### The Connecticut Yankee Atomic Power Company (70-9101)

The Connecticut Yankee Atomic Power Company ("CY"), 107 Selden Street, Berlin, Connecticut 06337, a utility subsidiary of The New England Electric System and Northeast Utilities, each a registered holding company, has filed an application-declaration under sections 12(f) and 13(b) of the Act and rules 54, 87, 90 and 91 under the Act.

On December 4, 1996, the board of directors of CY voted unanimously to cease permanently the production of power at its nuclear plant. In connection with the cessation of production, CY seeks authority through December 31, 2002 for an exception from the cost provisions of section 13(b) to sell certain of its remaining non-seller produced goods to its associate companies at fair market value. These goods generally include equipment, including the

simulator, materials and supplies inventory, office supplies, and furniture. In addition, CY seeks authority through December 31, 2002 for an exception from the cost provisions of section 13(b) to sell to its associate companies at fair market value credits it has received for the enrichment process performed on previously purchased nuclear fuel. Associate companies to whom the goods and/or credits may be sold could include, but would not be limited to, Northeast Nuclear Energy Company.

Based on its review of sales of similar items, including sales by other utilities implementing decommissioning plans for nuclear plants, CY expects that these goods and credits have a fair market value that is substantially below their book cost to CY. CY believes that a requirement prohibiting the sale of these assets to associate companies at competitive prices will substantially limit the pool of potential bidders and hinder its ability to wind down its business activities economically.

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

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-1039 Filed 1-14-98; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [63 1878, January 12, 1998]

**STATUS:** Closed Meeting.

**PLACE:** 450 Fifth Street, N.W., Washington, D.C.

**DATE PREVIOUSLY ANNOUNCED:** January 12, 1998.

**CHANGE IN THE MEETING:** Time Change.

The time for the closed meeting scheduled for Thursday, January 15, 1998, at 10:00 a.m., has been changed to 2:00 p.m.

At times, changes in Commission priorities require alterations 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 (202) 942-7070.

Dated: January 12, 1998.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-1114 Filed 1-13-98; 11:07 am]

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<sup>6</sup> In the order initially granting GSCC temporary registration, the Commission granted GSCC several exemptions from certain provisions of the Act, including the fair representation standard in Section 17A(b)(3)(C) of the Act [15 U.S.C. 78q-1(b)(3)(C)]. The Commission's recent approval of GSCC's election procedures included a determination that such procedures are consistent with the fair representation standard in Section 17A(b)(3)(C). Securities Exchange Act Release No. 39372 (November 28, 1997), 62 FR 64415.

<sup>7</sup> Securities Exchange Act Release Nos. 38340 (November 21, 1997), 62 FR 63405 (order approving proposed rule change regarding GSCC's loss allocation for blind brokered activity) and 39309 (November 7, 1997), 62 FR 61158 (order approving proposed rule change to institute an auto debit service).

<sup>8</sup> 15 U.S.C. 78s(a)(1).

<sup>9</sup> 17 CFR 200.30-3(a)(16).