

RETRIEVABILITY:

By name of individual or business; contract number; tax identification number/social security number; and leased facility (for lessor information).

SAFEGUARDS:

Paper records are accessible only by authorized postal employees and are secured in file cabinets in areas that are restricted during on-duty hours and are locked during non-duty hours. Access to automated records is restricted by computer security technology including the use of passwords. Access is granted on an official need-to-know basis.

RETENTION AND DISPOSAL:

(a) Contract Case Files—The case file is closed at the end of the fiscal year in which it becomes inactive and disposed of 6 years from that date.

(b) Unsuccessful Proposals—Disposed of 1 year after contract is awarded.

(c) Leased Real Estate files—The lease file is closed at the end of the calendar year in which the lease or rental agreement expires or terminates and disposed of 6 years and 3 months from that date.

(d) Computerized contractor, lessor, and prospective supplier information is maintained indefinitely.

SYSTEM MANAGER(S) AND ADDRESS:

VICE PRESIDENT, PURCHASING AND MATERIALS, UNITED STATES POSTAL SERVICE, 475 L'ENFANT PLAZA SW, WASHINGTON DC 20260-6200

VICE PRESIDENT, FACILITIES, UNITED STATES POSTAL SERVICE, 4301 WILSON BLVD STE 300, ARLINGTON VA 22203-1861

NOTIFICATION PROCEDURE:

Individuals wanting to know whether information about them is maintained in this system of records must address inquiries in writing to the system manager(s). Inquiries must contain name and contract number or other identifying information.

RECORD ACCESS PROCEDURES:

Requests for access must be made in accordance with the Notification Procedure above and the Postal Service Privacy Act regulations regarding access to records and verification of identity under 39 CFR 266.6.

CONTESTING RECORD PROCEDURES:

See Notification and Record Access Procedures above.

RECORD SOURCE CATEGORIES:

Information is furnished by records subjects.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 99-16925 Filed 7-1-99; 8:45 am]

BILLING CODE 7710-12-P

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:* Request for Medicare Payment.

(2) *Form(s) submitted:* G-740s, -HCFA-1500.

(3) *OMB Number:* 3220-0131.

(4) *Expiration date of current OMB clearance:* 08/31/1999.

(5) *Type of request:* Extension of a currently approved collection.

(6) *Respondents:* Individuals or households, business or other for-profit.

(7) *Estimated annual number of respondents:* See Justification (Item No. 12).

(8) *Total annual responses:* 1.

(9) *Total annual reporting hours:* 1.

(10) *Collection description:* The Railroad Retirement Board (RRB) administers the Medicare program for persons covered by the Railroad Retirement System. The collection obtains the information needed by the United Healthcare Insurance Company, the RRB's carrier, to pay claims for services covered under Part B of the program.

Additional Information or Comments: Copies of the form 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 the OMB reviewer, Laurie Schack (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503.

Chuck Mierzwa,

Clearance Officer.

[FR Doc. 99-16844 Filed 7-1-99; 8:45 am]

BILLING CODE 7905-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IA-1806; File No. 803-132]

Goldman Sachs Asset Management, et al.; Notice of Application

June 25, 1999.

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

ACTION: Notice of application for exemption under the Investment Advisers Act of 1940 ("Advisers Act").

APPLICANTS: (Goldman Sachs Asset Management ("GSAM") and Hirtle Callaghan Trust ("Trust").

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under section 206A of the Advisers Act from section 205 of the Advisers Act and Advisers Act rule 205-1.

SUMMARY OF APPLICATION: Applicants request an order permitting GSAM to charge a performance fee based on the performance of that portion of a Trust portfolio managed by GSAM ("GSAM Account"). Applicants further request that the order permit them to compute the performance-related portion of the fee using changes in the GSAM Account's gross asset value rather than net asset value.

FILING DATES: The application was filed on June 22, 1998, and amended on December 21, 1998, and May 25, 1999.

HEARING OR NOTIFICATION OR 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 copies of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 20, 1999, and should be accompanied by proof of service on 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 a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549-0609. Applicant, Goldman Sachs Asset Management, One New York Plaza, New York, New York 10004. Applicant, The Hirtle Callaghan Trust, 575 East Swedesford Road, Wayne, Pennsylvania 19087.

FOR FURTHER INFORMATION CONTACT: Lori Price, Senior Counsel, at (202) 942-0531, or Jennifer Sawin, Special Counsel, at (202) 942-0532 (Division of Investment Management, Task Force on Investment Adviser 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.

Applicant's Representations

1. GSAM is a separate operating division of Goldman Sachs & Co. ("Goldman Sachs"), an investment adviser registered with the SEC under the Advisers Act.
2. The Trust is an open-end management investment company registered with the SEC under the Investment Company Act of 1940. The Trust was organized by Hirtle, Callaghan & Co. ("Hirtle Callaghan"), an investment adviser registered with the SEC under the Advisers Act. The Trust is a series company that currently consists of seven separate investment portfolios. Shares of the Trust are available only to clients of Hirtle Callaghan or clients of financial intermediaries, such as investment advisers, that are acting in a fiduciary capacity with investment discretion and that have established relationships with Hirtle Callaghan.
3. Hirtle Callaghan serves as a "manager of managers" for the Trust. Pursuant to its agreement with the Trust, Hirtle Callaghan is not authorized to exercise investment discretion with respect to the Trust's assets. Hirtle Callaghan is responsible for monitoring the overall investment performance of the Trust's portfolios and the performance of the portfolio managers who manage the Trust's portfolios. Hirtle Callaghan also may from time to time recommend that the Trust's Board of Trustees retain additional portfolio managers or terminate existing portfolio managers. Authority to select new portfolio managers and reallocate assets among the portfolio managers, however, resides with the Trust's Board.
4. GSAM and Jennison Associates Capital Corp. ("Jennison") provide portfolio management services to the Growth Equity Portfolio ("Portfolio"), one series of the Trust. Pursuant to a portfolio management agreement, GSAM provides portfolio management services for a portion of the Portfolio's assets that the Trust's Board allocates to GSAM ("GSAM Account"). Each of GSAM and Jennison manages a separate portion of the Portfolio, each acting as though it were advising a separate investment company. Percentage limitations on investments are applied to each portion of the Portfolio without regard to investments in the other adviser's portion of the Portfolio. Each adviser receives a printout of portfolio positions from the Trust or its custodian

that contains only information about the portion of the Portfolio assigned to it and not about the positions held by the Portfolio as a whole. Each adviser generally is responsible for preparing reports to the Trust and the Board only with respect to its discrete portion of the Portfolio.

5. Neither GSAM nor Goldman Sachs is affiliated with Hirtle Callaghan, the Trust, or Jennison.

6. GSAM's services to the Trust are limited to investment selection for the GSAM Account, placement of transactions for execution and certain compliance functions directly related to such services. GSAM does not act as a distributor or sponsor for the Trust or Portfolio. No member of the Trust's Board is affiliated with GSAM. GSAM currently receives a fee at the annual rate of 0.30 percent of the average daily net assets of the GSAM Account, payable monthly.

7. On November 12, 1997, the Trust's Board approved an amendment to the portfolio management agreement between GSAM and the Trust under which the existing fee structure would be replaced with a fee structure that includes a performance component. On January 13, 1998, the shareholders of the Portfolio approved the amendment to the agreement.¹

8. Under the proposed fee arrangement, GSAM would receive an initial fee at the annual rate of 0.30 percent of the average daily net assets of the GSAM Account, payable quarterly, for each of the first three quarters following the date on which the proposed fee arrangement becomes effective. At the end of the fourth quarter, GSAM would begin to receive a base fee, payable quarterly, at an annual rate of 0.30 percent of the average daily net assets of the GSAM Account. The base fee would be increased or decreased by a Performance Component. The Performance Component would equal 25 percent of the amount by which the gross performance of the GSAM Account, during the 12 months immediately preceding the calculation date, exceeded or underperformed the sum of

(i) the total return of the Russell 1000 Growth Index ("Index") plus (ii) 30 basis points. Gross performance does not give effect to the Portfolio's expenses, but does reflect the effect (*i.e.*, reducing performance) of all applicable brokerage and transaction costs. The maximum annual fee payable for any 12 month period would not exceed 50 basis points, and the minimum fee payable would be 10 basis points.²

Applicants' Legal Analysis

1. Section 205(a)(1) of the Advisers Act generally prohibits an investment adviser from entering into any investment advisory agreement that provides for compensation to the adviser on the basis of a share of capital gains or capital appreciation of a client's account.

2. Section 205(b) of the Advisers Act provides a limited exception to this prohibition, permitting an adviser to charge a registered investment company and certain other entities a fee that increases and decreases "proportionately with the investment performance of the investment company or fund over a specified period in relation to the investment record of an appropriate index of securities prices or such other measure of investment performance as the [SEC] by rule, regulation or order may specify."

3. Rule 205-1 requires that the investment performance of an investment company be computed based on the change in the net (of all expenses and fees) asset value per share of the investment company.

4. Applicants request exemptive relief from section 205 and rule 205-1 to permit them to charge the proposed fee (i) Applying the proposed fee only to the GSAM Account and not to the Portfolio as a whole, and (ii) computing the Performance Component measured by the change in the GSAM Account's gross asset value, rather than its net asset value. Applicants also request exemptive relief for GSAM and its affiliates³ to enter into similar fee arrangements with other investment

¹ The proxy statement associated with this meeting specifically informed shareholders that, if approved by the shareholders, the proposed fee would not become effective until the first calendar quarter following receipt of assurances from the SEC that calculating the fee as proposed would not be viewed as inconsistent with the Advisers Act, and that there could be no guarantee that the SEC would give such assurances. The shareholders of the Portfolio also approved the current agreement between GSAM and the Trust, which was approved by the Trust's Board on September 12, 1997. The Trust's Board replaced another investment adviser with GSAM as a portfolio manager to the Portfolio on September 29, 1997.

² If application of the Performance Component would result in an annual fee at a rate lower than 10 basis points, the amount of any excess fee paid for the first year would be credited to the Portfolio in subsequent quarters before additional fee amounts would be payable to GSAM. If the portfolio management agreement between the Trust and GSAM is terminated, the Trust would not recoup any outstanding excess fees that had been paid in previous quarters.

³ Affiliates in this context would include Goldman Sachs Funds Management, L.P., Goldman Sachs Asset Management International, and any other investment adviser that is both registered with the SEC under the Advisers Act and controls, is controlled by, or is under common control with, GSAM.

companies, provided certain criteria are met.

5. Applicants state that Congress, in adopting and amending section 205 of the Advisers Act, and the SEC, in adopting rule 205-1, put into place safeguards designed to ensure that investment advisers would not take advantage of advisory clients.

6. Applicants assert that the SEC required that performance fees be calculated based on the net asset value of the investment company's shares to prevent a situation where an adviser could earn a performance fee even though investment company shareholders did not derive any benefit from the adviser's performance after the deduction of fees and expenses.

7. Applicants state that, unlike traditional performance fee arrangements, GSAM would not receive the Performance Component of its fee unless its management of the GSAM Account has resulted in performance in excess of the Index performance plus a "performance hurdle" equal to the 0.30 percent base fee. Applicants assert that increasing the performance of the Index by the 0.30 percent hurdle would have an effect similar to deducting GSAM's fees.⁴ Applicants therefore argue that the Portfolio's shareholders will have protections similar to those contemplated by the net asset value requirement of rule 205-1.

8. Applicants suggest that Congress' concern, in enacting the safeguards of section 205, came about because the vast majority of investment advisers exercised a high level of control over the structuring of the advisory relationship. Applicants state that the proposed fee, however, was negotiated actively at arm's length between the parties. Applicants state that GSAM has little, if any, influence over the overall management of the Trust or the Portfolio beyond stock selection. Management functions of the Trust and the Portfolio reside in the Trust's Board. The Trust is directly and fully responsible for supervising the Trust's service providers and monitoring expenses of each of the Trust's portfolios. The Trust's Board is responsible for allocating the assets of the several portfolios among the portfolio managers. Neither GSAM nor any of its affiliates sponsored or organized the Trust or serves as a distributor or principal underwriter of the Trust. Neither GSAM nor any of its affiliates owns any shares issued by the Trust. No officer, director or employee of GSAM, nor any of its affiliates, serves as an executive officer or director of the

Trust. Neither GSAM nor any of its affiliates is an affiliated person of Hirtle Callaghan or any other person who consults or provides investment advice with respect to the Trust's advisory relationships (except to the extent that such affiliation may exist by reason of GSAM or any of its affiliates serving as investment adviser to the Trust).

9. Applicants argue that the proposed fee arrangement satisfies the purpose of rule 205-1 because it was negotiated at arms-length and the Trust does not need the protections afforded by calculating a performance fee based on net assets. Applicants argue that the proposed fee arrangement is therefore consistent with the underlying policies of section 205 and rule 205-1 and that the exemption would be consistent with the protection of investors.

Applicants' Conditions

1. If the base fee changes, the performance hurdle will be changed to match the base fee.
2. To the extent GSAM, or an affiliate of GSAM, relies on the requested order with respect to advisory arrangements with other investment companies that it advises, these arrangements will meet the following requirements: (i) The investment advisory fee will be negotiated between GSAM, or the applicable affiliate of GSAM, and the investment company or its primary investment adviser; (ii) the fee structure will contain a performance hurdle that is, at all times, no lower than the base fee; (iii) neither GSAM nor any of its affiliates will serve as distributor or sponsor of the investment company; (iv) no member of the board of the investment company will be affiliated with GSAM or its affiliates; (v) neither GSAM nor any of its affiliates will organize the investment company; and (vi) neither GSAM nor any of its affiliates will be an affiliated person of any primary adviser to the investment company or of any other person who consults or provides advice with respect to the investment company's advisory relationships (except to the extent that GSAM and/or its affiliates may be affiliated with another portfolio manager by virtue of the fact that GSAM or the affiliate serves as a portfolio manager to the investment company or to another investment company).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-16862 Filed 7-1-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27042]

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

June 25, 1999.

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 under the Act. 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 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 July 20, 1999, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should 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 July 20, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Columbia Insurance Corporation, Ltd. (70-9371)

Columbia Insurance Corporation, Ltd. ("CICL"), a wholly owned captive insurance subsidiary of Columbia Energy Group ("Columbia"), a registered holding company, and Columbia, both located at 13880 Dulles Corner Lane, Herndon, Virginia 20171-4600, have filed an application-declaration under sections 6(a), 7, 9(a), 10, and 12(b) of the Act and rules 45 and 54 under the Act.

By order dated October 25, 1996 (HCAR No. 26596), Columbia was authorized to form and capitalize CICL to engage in the reinsurance of predictable losses under the automobile and general liability and "all-risk" coverage.

CICL and Columbia now propose: (1) To expand their reinsurance activities to

⁴ If the 0.30 percent fee changes, the performance hurdle also would be changed to match the fee.