

views regarding matters to be considered during the balance of the meeting.

The Subcommittee will then hear presentations by and hold discussions with representatives of the NRC staff, Westinghouse Electric Corporation, their consultants, and other interested persons regarding this review.

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the scheduling of sessions which are open to the public, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by contacting the cognizant ACRS staff engineer, Mr. Paul A. Boehnert (telephone 301/415-8065) between 7:30 a.m. and 4:15 p.m. (EST). Persons planning to attend this meeting are urged to contact the above named individual one or two working days prior to the meeting to be advised of any potential changes to the agenda, etc., that may have occurred.

Dated: November 21, 1996.

Sam Duraiswamy,

Chief, Nuclear Reactors Branch.

[FR Doc. 96-30293 Filed 11-26-96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22345; 812-10234]

Calvert Social Investment Fund, et al.; Notice of Application

November 20, 1996.

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

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

APPLICANTS: Calvert Social Investment Fund, The Calvert Fund, Calvert Tax-Free Reserves, Calvert Cash Reserves, Calvert Municipal Fund, Inc., Calvert World Values Fund, Inc., Calvert New World Fund, Inc., First Variable Rate Fund, and Acacia Capital Corporation (collectively, the "Funds"), Calvert Asset Management Company, Inc. ("CAMC"), and Calvert-Sloan Advisers LLC ("Calvert-Sloan" or, together with CAMC, the "Advisers").

RELEVANT ACT SECTIONS: Exemption requested under section 6(c) of the Act from the provisions of section 15(a) of the Act and rule 18f-2 thereunder.

SUMMARY OF APPLICATION: Applicants request an order to permit them to enter into and materially amend contracts

with the Funds' subadvisers without shareholder approval.

FILING DATES: The application was filed on July 3, 1996, and amended on September 3, 1996, and November 18, 1996.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 16, 1996, and should be accompanied by proof of service on applicant, 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 Fifth Street, N.W., Washington, D.C. 20549. Applicants: Funds and Advisers, 4550 Montgomery Avenue, Suite 1000N, Bethesda, Maryland 20814.

FOR FURTHER INFORMATION CONTACT: Mercer E. Bullard, Branch Chief, (202) 942-0564, or Elizabeth G. Osterman, Assistant Director, (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.

Applicants' Representations

1. Each Fund is registered under the Act as an open-end management investment company with one or more series (the "Portfolios").¹ Calvert Social Investment Fund, The Calvert Fund, Calvert Tax-Free Reserves, Calvert Cash Reserves, and First Variable Rate Fund are business trusts organized under Massachusetts law. Calvert Municipal Fund, Inc., Calvert World Values Fund, Inc., Calvert New World Fund, Inc., and Acacia Capital Corporation are corporations organized under Maryland law. Acacia Capital Corporation has six Portfolios, which are sold only to

¹ Applicants also request relief with respect to any additional Portfolio organized in the future and any other open-end management investment company advised by an Adviser, or a person controlling, controlled by, or under common control with an Adviser, in the future, provided that such investment company operates in substantially the same manner as the Funds and complies with the conditions to the requested order.

insurance companies for their separate accounts and not to individual investors.

2. CAMC is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). CAMC is an indirect wholly-owned subsidiary of Acacia Mutual Life Insurance Company. Calvert-Sloan, a registered investment adviser under the Advisers Act, is a joint venture between Calvert Group, Ltd., the corporate parent of CAMC, and Sloan Holdings, Inc., a wholly-owned subsidiary of Sloan Financial Group, Inc. ("SFG"). SFG is the corporate parent of two of the subadvisers to the Portfolios, NCM Capital Management Group, Inc., and New Africa Advisers, Inc. The Advisers are paid a fee based on average daily net assets for investment advisory services. Some Portfolios pay their Adviser a performance-based incentive fee that conforms to section 205 of the Advisers Act and rules thereunder.

3. CAMC serves as investment manager to each Portfolio (other than the Calvert New Africa Fund, a series of Calvert New World Fund, Inc.) pursuant to investment management agreements between the CAMC and each Fund. Calvert-Sloan serves as investment manager of the Calvert New Africa Fund.

4. A number of Portfolios employ subadvisers ("Subadvisers"), each of which is registered as an investment adviser under the Advisers Act. Certain Portfolios currently employ more than one Subadviser (the "Multi-Adviser Portfolios"), and others employ one Subadviser (the "Single Subadviser Portfolios"). Certain Funds do not have Portfolios that currently employ Subadvisers, but they may do so in the future. Investment decisions for Portfolios that employ Subadvisers are made by the Subadvisers, who have discretionary authority to invest all or a portion of the assets of a Portfolio, subject to the general supervision of the Advisers and the board of each Fund. Subadvisers provide advisory services pursuant to an written advisory agreement ("Investment Subadvisory Agreement"). The Subadvisers' fee are paid by the Advisers at rates negotiated by the Advisers. The fees are based on assets allocated to the Subadviser. Some Subadvisers receive a performance-based incentive fee that conforms to section 205 of the Advisers Act and rules thereunder.

Applicants' Legal Analysis

1. Section 15(a) of the Act makes it unlawful for any person to act as investment adviser to a registered

investment company except pursuant to a written contract that has been approved by a majority of the company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Applicants request an exemption from section 15(a) of the Act and rule 18f-2 thereunder to permit the Funds and the Advisers to enter into and materially amend Investment Subadvisory Agreements without shareholder approval.

3. Applicants believe that the Advisers' constant supervision of the Subadvisers will permit the proportion of shareholders' assets subject to particular Subadviser styles to be reallocated (or new Subadvisers introduced) in response to changing market conditions or Subadviser performance, in an attempt to improve a Portfolio's overall performance. Applicants assert that shareholders are, in effect, electing to have the Advisers select one or more Subadvisers best suited to achieve the Portfolio's investment objective. Applicants state that shareholders rely on the Advisers for investment management and the Advisers' expertise to select Subadvisers.

4. Applicants contend that, because shareholders rely on the Advisers to select Subadvisers, it is the investment advisory agreements with the Advisers ("Investment Advisory Agreements") over which shareholders should exercise control. Such Agreements would continue to be subject to the shareholder approval requirements of section 15 of the Act.

5. Applicants contend that requiring shareholder approval of Subadvisers and Investment Subadvisory Agreements would impose costs on the Funds without advancing shareholder interests. Applicants believe that shareholders' interests are adequately protected by their voting rights with respect to the Investment Advisory Agreements and the responsibilities assumed by the Advisers and the Funds' boards. As either Maryland corporations or Massachusetts business trusts, the Funds generally are not required under state law to hold annual shareholder meetings, and do not generally plan to hold such meetings, unless legally required to do so, in order to avoid the attendant costs.

6. Applicants believe that it has become increasingly difficult to obtain shareholder quorums for shareholder meetings. Without the requested relief, applicants believe that a Portfolio may

be left with a "lame duck" Subadviser while awaiting shareholder approval. Applicants also believe that requiring shareholder approval of new Subadvisers and amendments to Investment Subadvisory Agreements would prevent the Funds from promptly and timely employing Subadvisers best suited to the needs of the Funds.

7. Applicants contend that shareholders will be provided with adequate information about Subadvisers. Prospectuses and Statements of Additional Information will contain all required information regarding each Subadviser. Within 90 days of the hiring of a new Subadviser or material amendment of an Investment Subadvisory Agreement, the Portfolio will furnish shareholders with all the information that would have been provided in a proxy statement.

8. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction from any provision of the Act if and to the extent that such exemption is necessary or 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. Applicants believe that the requested exemptive relief satisfies this standard.

Applicants' Conditions

Applicants agree that the order shall be subject to the following conditions:

1. Before a Portfolio may rely on the order requested in the application, the operation of the Portfolio in the manner described in the application will be approved by a majority of the outstanding voting securities, as defined in the Act, of the Portfolio (or, in the case of the Acacia Capital Corporation, by the unitholders of any separate account for which the Corporation serves as a funding medium), or, in the case of a new Portfolio whose public shareholders purchased shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder(s) before offering shares of such Portfolio to the public.

2. Any Portfolio relying on the requested relief will disclose in its prospectus the existence, substance, and effect of any order granted pursuant to the application.

3. CAMC, or as the case may be, Calvert-Sloan, will provide management and administrative services to the Portfolios and, subject to the review and approval of their respective boards of trustees/directors, will: set the overall investment strategies of the Portfolios; recommend Subadvisers; allocate and,

when appropriate, reallocate the assets of the Portfolios among Subadvisers; and monitor and evaluate the investment performance of the subadvisers, including their compliance with the investment objectives, policies, and restrictions of the Portfolios.

4. A majority of each board of trustees/directors of each Fund will be persons each of whom is not an "interested person" of the Fund (as defined in section 2(a)(19) of the Act) (the "Independent Trustees/Directors"), and the nomination of new or additional Independent Trustees/Directors will be placed within the discretion of the then existing Independent Trustees/Directors.

5. The Funds will not enter into Investment Subadvisory Agreements on behalf of their Portfolios with any Subadviser that is an "affiliated person," as defined in section 2(a)(3) of the Act, of the Funds, the Portfolios, or the Advisers other than by reason of serving as a Subadviser to one or more of the Portfolios (an "Affiliated Subadviser") without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Portfolio.

6. When a change of Subadviser is proposed for a Portfolio with an Affiliated Subadviser, the board of trustees/directors of the applicable Fund, including a majority of the Independent Trustees/Directors, will make a separate finding, reflected in the minutes of meetings of the board of trustees/directors of the Portfolio that any such change of Subadviser is in the best interest of the Portfolio and its shareholders (or, in the case of the Acacia Capital Corporation, of the unitholders of any separate account for which the Corporation serves as a funding medium) and does not involve a conflict of interest from which CAMC, Calvert-Sloan, or an Affiliated Subadviser derives an inappropriate advantage.

7. No director, trustee, or officer of a Fund or an Adviser will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by any such director, trustee, or officer) any interest in a Subadviser except for ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Manager, or ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Subadviser or an entity that controls, is controlled by, or is under common control with a Subadviser.

8. Within 90 days of the hiring of any Subadviser or the implementation of

any proposed material changed in an Investment Subadvisory Agreement, the affected Portfolio will furnish its shareholders with all information about the new Subadviser or Investment Subadvisory Agreement that would be included in a proxy statement. Such information will include any change in such disclosure caused by the addition of a new Subadviser or any proposed material change in the Investment Subadvisory Agreement of a Portfolio. The Portfolio will meet this condition by providing shareholders, within 90 days of the hiring of the Subadviser or implementation of any material change to the terms of an Investment Subadvisory Agreement, with an information statement meeting the requirements of Regulation 14C and Schedule 14C under the Securities Exchange Act of 1934 ("Exchange Act"). The information statement also will meet the requirements of item 22 of Schedule 14A under the Exchange Act. The Acacia Capital Corporation will ensure that the information statement is furnished to the unitholders of any separate account for which the Corporation serves as a funding medium.

For the SEC, by the Division of Investment Management, under delegated authority.
Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 96-30223 Filed 11-26-96; 8:45 am]
BILLING CODE 8010-01-M

Agency Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of December 2, 1996.

An open meeting will be held on Monday, December 2, 1996, at 10:00 a.m. A closed meeting will be held on Thursday, December 5, 1996, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Monday, December 2, 1996, at 10:00 a.m., will be:

The Commission will meet with members of the Financial Accounting Standards Board to discuss subjects including international accounting standards setting, derivatives/comprehensive income, disaggregated information, and disclosure effectiveness. For further information, please contact Robert Lavery at (202) 942-4417.

The subject matter of the closed meeting scheduled for Thursday, December 5, 1996, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

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 at (202) 942-7070.

Dated: November 25, 1996.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-30528 Filed 11-25-96; 2:58 pm]

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DEPARTMENT OF TRANSPORTATION

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending November 15, 1996

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 *et seq.*). The due date for Answers, Conforming Applications, or Motions to modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-95-676.

Date filed: November 15, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: December 13, 1996.

Description: Application of Falcon Air Express, Inc. pursuant to 14 C.F.R.

Section 302.4 and Subpart Q of the Department's Regulations for an amendment to its certificate of public convenience and necessity to the extent necessary to lift the "one aircraft" limitation currently in place on its certificate.

Docket Number: OST-95-677.

Date filed: November 15, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: December 13, 1996.

Description: Application of Falcon Air Express, Inc. pursuant to 14 C.F.R. Section 302.4 and Subpart Q of the Department's Regulations for an amendment to its certificate of public convenience and necessity to the extent necessary to lift the "one aircraft" limitation currently in place on its certificate.

Docket Number: OST-96-1938.

Date filed: November 12, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: December 10, 1996.

Description: Application of Sun Country Airlines, Inc., pursuant to 49 U.S.C. Sections 41101(a) and 41102(a), (b), and Subpart Q of the Regulations, applies for a new or amended certificate of public convenience and necessity for scheduled foreign air transportation of persons, property and mail between a point or point in the United States, on the one hand, and certain named terminal points in the Caribbean, on the other hand.

Docket Number: OST-96-1943.

Date filed: November 13, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: December 11, 1996.

Description: Application of Khabarovsk Aviation Group, pursuant to 49 U.S.C., Section 41302 and Subpart Q of the Regulations, applies for a foreign air carrier permit to enable KAG to operate scheduled foreign air transportation of persons, property and mail from a point or points in the Russian Federation, via intermediate points, to the coterminous points Anchorage, Alaska; Seattle, Washington; San Francisco, California; and Los Angeles, California.

Docket Number: OST-96-1945.

Date filed: November 14, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: December 12, 1996.

Description: Application of USAir, Inc. pursuant to 14 C.F.R. Part 215 and Subpart Q of the Regulations, requests that the Department approve and register a change in the name of USAir to US Airways, Inc. d/b/a US Airways and d/b/a USAir, and reissue all of its