

UC—906 Unlimited Release, Printed June 1991), and on the licensee's experience with the current photo-identification system, the licensee stated that the hand geometry system performance is comparable to, or superior to, that of the current system. The biometric system has been in use for a number of years at several sensitive Department of Energy facilities. The licensee will implement a process for testing the proposed system to ensure continued overall level of performance equivalent to that specified in the regulation. The Physical Security Plan for Salem/Hope Creek will be revised to include implementation and testing of the hand geometry access control system and to allow licensee employees and contractors to take their badges offsite.

The licensee will control all points of personnel access into a protected area under the observation of security personnel through the use of a badge and verification of hand geometry. A numbered picture badge identification system will continue to be used for all individuals who are authorized unescorted access to protected areas. Badges will continue to be displayed by all individuals while inside the protected area.

Since both the badges and hand geometry would be necessary for access into the protected areas, the proposed system would provide for a positive verification process and the potential loss of a badge by an individual, as a result of taking the badge offsite, would not enable an unauthorized entry into protected areas.

For the foregoing reasons, pursuant to 10 CFR 73.55, the NRC staff has determined that the proposed alternative measures for protection against radiological sabotage meet "the same high assurance objective," and "the general performance requirements" of the regulation and that "the overall level of system performance provides protection against radiological sabotage equivalent" to that which would be provided by the regulation.

IV

Accordingly, the Commission has determined that, pursuant to 10 CFR 73.5, an exemption is authorized by law, will not endanger life or property or common defense and security, and is otherwise in the public interest. Therefore, the Commission hereby grants an exemption from those requirements of 10 CFR 73.55(d)(5) relating to the returning of picture badges upon exit from the protected area such that individuals not employed by the licensee, i.e., contractors, who are

authorized unescorted access into the protected area, may take their picture badges offsite. This exemption is granted on the condition that the licensee implements a process for testing the proposed system and revises the security plan for each site as discussed in Section III above.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will have no significant effect on the quality of the human environment (62 FR 40551).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 31st day of July 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 97-20876 Filed 8-6-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, 450 Fifth Street, NW, Washington, DC 20549.

Extensions:

Rule 11a-3, SEC File No. 270-321,

OMB Control No. 3235-0358

Rule 17g-1, SEC File No. 270-208,

OMB Control No. 3235-0213

Rule 206(4)-3, SEC File No. 270-218,

OMB Control No. 3235-0242

Rule 206(4)-4, SEC File No. 270-304,

OMB Control No. 3235-0345

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") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Rule 11a-3 under the Investment Company Act of 1940 is an exemptive rule that permits open-end investment companies ("funds"), other than insurance company separate accounts, and funds' principal underwriters, to make certain exchange offers to fund shareholders and shareholders of other funds in the same group of investment companies. The rule requires a fund, among other things, (i) to disclose in its prospectus and advertising literature the amount of any administrative or redemption fee imposed on an exchange

transaction, (ii) if the fund imposes an administrative fee on exchange transactions, other than a nominal one, to maintain and preserve records with respect to the actual costs incurred in connection with exchanges for at least six years, and (iii) give the fund's shareholders a sixty day notice of a termination of an exchange offer or any material amendment to the terms of an exchange offer (unless the only material effect of an amendment is to reduce or eliminate an administrative fee, sales load or redemption fee payable at the time of an exchange).

The rule's requirements are designed to protect investors against abuses associated with exchange offers, provide fund shareholders with information necessary to evaluate exchange offers and certain material changes in the terms of exchange offers, and enable the Commission staff to monitor funds' use of administrative fees charged in connection with exchange transactions.

It is estimated that approximately 2,500 funds may choose to rely on the rule, and each fund may spend one hour annually complying with the recordkeeping requirement and another hour annually complying with the notice requirement. The total annual burden associated with the rule is estimated to be 5,000 hours. The burdens associated with the disclosure requirement of the rule are accounted for in the burdens associated with the Form N-1A registration statement for funds.

Rule 17g-1 under the Investment Company Act of 1940 governs the fidelity bonding of officers and employees of registered management investment companies ("funds"). Rule 17g-1 requires, among other things, that:

(i) *Fidelity Bond Content Requirements.* The fidelity bond must provide that it shall not be cancelled, terminated or modified except upon a 60-day written notice by the acting party to the affected party. In the case of a "joint bond" covering several funds or certain other parties, the notice also must be given to each fund and to the Commission. In addition, a joint bond must provide that a copy of the bond, any amendments to the bond, any formal filing of a claim on the bond, and notification of the terms of any settlement on such claim, will be furnished to each fund promptly after the execution.

(ii) *Independent Directors' Approval Requirements.* At least annually, the independent directors of a fund must approve the form and amount of the fidelity bond. The amount of any premium paid for any joint bond also must be approved by the independent directors of a fund.

(iii) *Joint Bond Agreement Requirement.* A fund that is insured by a joint bond must enter into an agreement with all other parties

insured by the joint bond regarding recovery under the joint bond.

(iv) *Required Filings with the Commission.* Upon execution of a fidelity bond or any amendment thereto, a fund must file with the Commission a copy of: (i) The executed fidelity bond; (ii) the resolution of the fund's directors approving the fidelity bond; and (iii) a statement as to the period for which the fidelity bond premiums have been paid. In the case of a joint bond, a fund also must file a copy of: (i) A statement showing the amount of a single insured bond the fund would have maintained under the rule had it not been named under a joint bond; and (ii) each agreement between the fund and all other insured parties. A fund also must notify the Commission in writing within 5 days of any claim and settlement on a claim made under a fidelity bond.

(v) *Required Notices to Directors.* A fund must notify by registered mail each member of its board of directors (i) of any cancellation, termination or modification of the fidelity bond at least 45 days prior to the effective date; and (ii) of the filing or settlement of any claim under the fidelity bond when the notification is filed with the Commission.

The fidelity bond content requirements, the joint bond agreement requirement, the independent directors' annual review requirement and the required notices to directors are designed to ensure the safety of fund assets against losses due to the conduct of persons who may obtain access to those assets, and facilitate oversight of a fund's fidelity bond. The rule's required filings with the Commission are designed to assist the Commission in monitoring funds' compliance with the fidelity bond requirements.

The Commission estimates that approximately 3,200 funds are subject to the requirements of rule 17g-1, and that on average a fund spends approximately one hour per year on complying with the rule's paperwork requirements. The total annual burden of the rule's paperwork requirements thus is estimated to be 3,200 hours.

Rule 206(4)-3, entitled "Cash Payments for Client Solicitations" provides restrictions on cash payments for client solicitations. The rule imposes two sets of information collection requirements. Where only impersonal advisory services are to be provided or an affiliation between the solicitor and adviser exists, the rule requires that the fee be paid pursuant to a written agreement and that the prospective client be advised of any affiliation between the adviser and the solicitor. Where individualized services are to be provided, the solicitor must furnish the prospective client with a copy of the adviser's brochure and a disclosure document containing specified information. The information collection

and disclosure requirements in rule 206(4)-3 permit the Commission's inspection staff to monitor the activities of investment advisers and protect investors. Rule 206(4)-3 is applicable to all registered investment advisers.

The Commission believes that approximately 4,577 of these advisers have cash referral fee arrangements. Under the recently enacted National Securities Markets Improvement Act of 1996 (the "1996 Act"), however, only about 1,281 advisers are subject to the rule after the legislation became effective on July 8, 1997. The rule requires approximately 7.04 burden hours per year per adviser and would result in a total of approximately 9,018 total burden hours (7.04×1281) for all advisers.

Rule 206(4)-4, entitled "Financial and Disciplinary Information that Investment Advisers Must Disclose to Clients," requires advisers to disclose certain financial and disciplinary information to clients. The disclosure requirements in rule 206(4)-4 are designed so that a client will have information about an adviser's financial condition and disciplinary events that may be material to a client's evaluation of the adviser's integrity or ability to meet contractual commitments to clients. The Commission does not use the information disclosed to clients.

It is estimated that approximately 3,222 advisers were subject to this rule, but that after the 1996 Act became effective only 902 advisers are subject to the rule. The rule requires approximately 7.5 burden hours per year per adviser and would amount to approximately 6,765 total burden hours (7.5×902) for all advisers.

Rule 206(4)-3 does not specify a retention period for its recordkeeping requirements. The disclosure and recordkeeping requirements of rule 206(4)-3 and the disclosure requirements of rule 206(4)-4 are mandatory. Information subject to the recordkeeping and disclosure requirements of rules 206(4)-3 and -4 is not submitted to the Commission, so confidentiality is not an issue.

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 control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503; and (ii) Michael

E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: July 28, 1997.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-20748 Filed 8-6-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-22776; 811-5774]

ABD American Capital Markets Funds, Inc.; Notice of Application

August 1, 1997.

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

ACTION: Notice of application for deregistration under section 8(f) of the Investment Company Act of 1940 (the "Act").

SUMMARY OF APPLICATION: Applicant ABD American Capital Markets Fund, Inc. requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on April 4, 1997, and amended on June 19, 1997 and July 21, 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 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 August 26, 1997, 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 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. Applicant, 75 Wall Street, New York, N.Y. 10005-2889.

FOR FURTHER INFORMATION CONTACT: Joseph B. McDonald, Jr., Senior Counsel, at (202) 942-0533, 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