

Alternatives to the Proposed Action

Since the Commission has concluded that there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the requested exemption. Denial of the request would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement Related to the Operation of Point Beach Nuclear Plant," dated May 1972.

Agencies and Persons Consulted

In accordance with its stated policy, on July 29, 1997, the staff consulted with the Wisconsin State official, Ms. Sarah Jenkins of the Wisconsin Public Service Commission, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated June 6, 1997, which is available for public inspection at the Commission's Public Document Room, which is located at The Gelman Building, 2120 L Street NW., Washington, DC, and at the local public document room located at The Lester Public Library, 1001 Adams Street, Two Rivers, WI 54241.

Dated at Rockville, Maryland, this 22nd day of August 1997.

For the Nuclear Regulatory Commission.

Linda L. Gundrum,

Project Manager, Project Directorate III-1, Division of Reactor Projects—III/IV, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22795; 812-10718]

First American Investment Funds, Inc., et al.; Notice of Application

August 22, 1997.

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

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

SUMMARY OF APPLICATION: Applicants request an order under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) to permit a common trust fund sponsored by U.S. Bank National Association ("U.S. Bank") to transfer securities to a series of First American Investment Funds, Inc. ("FAIF"), in exchange for shares of the series.

APPLICANTS: FAIF, Large Companies Value Trust Fund ("LCVT"), and U.S. Bank.

FILING DATE: The application was filed on July 11, 1997. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

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 September 17, 1997, and should be accompanied by proof of service on the 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 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 c/o James D. Alt, Esq., Dorsey & Whitney LLP, 220 South Sixth Street, Minneapolis, Minnesota 55402.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Attorney Advisory, at (202) 942-0569, or Mary Kay Frech, 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. U.S. Bank is a national banking association and a wholly-owned subsidiary of U.S. Bancorp. ("USB"), a publicly held bank holding company. U.S. Bank, through its First Asset Management group, acts as investment adviser to each series of FAIF. USB maintains a defined benefit pension plan ("Parent Company Plan") for the benefit of employees of USB and its subsidiaries. The Parent Company Plan owns more than 5% of the outstanding voting shares of the Stock Fund series of FAIF (the "Fund"). The Fund is a multiple class fund.

2. FAIF is a Maryland corporation registered under the Act as an open-end management investment company. FAIF currently offers its shares to the public in several series with varying investment objectives and policies.

3. LCVT is a common trust fund as defined in Section 584(a) of the Internal Revenue Code of 1986, as amended. LCVT is maintained by U.S. Bank exclusively for the collective investment and reinvestment of moneys contributed by U.S. Bank in its capacity as a trustee, executor, administrator, or guardian. The persons and entities for which U.S. Bank acts in such capacity are referred to as "Participants" in LCVT. LCVT is excluded from the definition of investment company under section 3(c)(3) of the Act.

4. Applicants propose to transfer to transfer the assets held by LCVT to the Fund in exchange for Class C shares of the Fund. Class C shares are offered without a front-end or deferred sales charge, are not subject to any redemption fees, and do not bear any rule 12b-1 distribution fees or any shareholder servicing fees. LCVT assets to be transferred to the Fund will be valued in accordance with the provisions of rule 71a-7(b), and the Fund's shares issued will have an aggregate net asset value equal to the value of the LCVT assets transferred. Following the proposed transaction, LCVT will be terminated, and the Fund shares issued will be held by U.S. Bank directly as trustee, executor, administrator, or guardian. The Fund shares held by U.S. Bank, as fiduciary, will be credited to the benefit of each Participant, *pro rata*, according to each Participant's interest in LCVT immediately prior to the transfer.

5. The proposed transaction will be carried out in accordance with procedures previously adopted by FAIF's board of directors pursuant to rule 17a-7(e), and the provisions of rule

17a-7(c), (d), and (f) will be satisfied with respect to FAIF. FAIF's board of directors was advised by U.S. Bank that the investment objectives and policies of LCVT and the Fund, and the securities they hold, are generally similar. In addition, FAIF's board of directors, including a majority of the directors of FAIF who are not interested persons, has determined that participation by the Fund in the proposed transaction is in the best interests of the Fund and the interests of existing Fund shareholders will not be diluted as a result of the transaction. These findings, and the basis upon which they were made, will be recorded fully in the minute books of the Fund.

6. U.S. Bank, as LCVT's trustee, will determine in accordance with its fiduciary duties that the proposed transaction is in the best interests of Participants in LCVT. In making this determination, U.S. Bank will consider the anticipated benefits which are expected to flow to Participants, including increased liquidity, the availability of daily pricing, the accessibility of performance and other information concerning the Fund, the similarity of LCVT's and the Fund's investment objectives and policies, the anticipated tax treatment of the proposed transaction, and the aggregate fee levels experienced and expected to be experienced by Participants before and after the proposed transaction.

7. In some instances, U.S. Bank will be required to obtain the consent or direction of the party having investment discretion regarding a Participant's inclusion in the transaction. In those instances where an account party of the Participant does not exercise investment discretion but can terminate or transfer the fiduciary relationship with U.S. Bank, such account party can direct U.S. Bank to withdraw the Participant's investment from LCVT before the proposed transaction takes place. In all instances, detailed information concerning the terms of the proposed transaction, the Fund, applicable fee schedules, and other related information will be provided to Participants before the proposed transaction takes place.

8. Applicants also request relief for any future transactions in which a common or collective trust fund for which U.S. Bank, or another bank under common control with U.S. Bank, acts as trustee, proposes to transfer all of its assets to a registered investment company (or series thereof) that is (a) advised by U.S. Bank, or by any entity controlling, controlled by, or under common control with U.S. Bank; and (b) 5% or more owned by a defined benefit pension plan or other employee benefit

plan sponsored by U.S. Bank or by an entity controlling, controlled by or under common control with U.S. Bank (the "Future Transactions"). Applicants state that they will rely on the requested relief for Future Transactions only in accordance with the terms and conditions contained in the application.

Applicants' Legal Analysis

1. Section 17(a) of the Act provides that it is unlawful for any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, knowingly (a) to sell any security or other property to such registered company, or (b) to purchase from such registered company any security or other property. Section 2(a)(3) of the Act defines the term "affiliated person" of another person to include (a) any person owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person; (b) any person controlling, controlled by, or under common control with, such other person; and (c) if such other person is an investment company, any investment adviser thereof.

2. Because LCVT might be viewed as acting as principal in the proposed transaction, and because LCVT and the Fund might be viewed as being under common control of U.S. Bank within the meaning of section 2(a)(3) of the Act, the proposed transaction may be subject to the prohibitions of section 17(a). Accordingly, applicants request an order from the SEC pursuant to sections 6(c) and 17(b) exempting them from section 17(a) of the Act on the terms and subject to the conditions set forth in the application.

3. Section 17(b) provides that the SEC shall exempt a transaction from section 17(a) if evidence establishes that (a) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policy of each registered investment company concerned; and (c) the proposed transaction is consistent with the general purposes of the Act. Rule 17a-7 exempts certain purchase and sale transactions otherwise prohibited by section 17(a) if, among other requirements, the transactions are effected at an "independent market price" and the investment company's board of directors reviews the transactions for fairness. Rule 17a-8 exempts certain mergers and consolidations from section 17(a) if, among other requirements, the investment company's board of

directors determines that the transactions are fair.

4. Applicants will comply with rules 17a-7 and 17a-8 to the extent possible, as stated in the conditions to the requested order. The proposed transaction contemplates in-kind transfers from LCVT to the Fund, rather than cash transactions. Applicants assert that if the proposed transaction were effected in cash instead of through an in-kind transfer of assets, LCVT and the Participants would have to bear unnecessary expense and inconvenience in transferring assets to the Fund.

5. Section 6(c) provides that the SEC may exempt any person or transaction from any provision of the Act or any rule thereunder 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.

6. Applicants submit that the proposed transaction meets the standards for relief under sections 6(c) and 17(b). Applicants assert that the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any party; the investment objectives, policies, and restrictions of LCVT are compatible with and substantially similar to the Fund's investment objectives, policies, and restrictions; and, the transaction and the requested exemption are in the public interest, consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

Applicants' Conditions

1. The proposed transaction will comply with the terms of rule 17a-7 (b) through (f).

2. The proposed transaction will not occur unless and until the board of directors of the Fund (including a majority of the board's disinterested members) find that participation by the Fund in the proposed transaction is in the best interests of such Fund and that the interests of existing shareholders of such Fund will not be diluted as a result of the transaction. These findings, and the bases upon which they are made, will be recorded fully in the minute books of the Fund.

3. The proposed transaction will not occur unless and until U.S. Bank, as trustee, has determined in accordance with its fiduciary duties as trustee for LCVT and fiduciary for the Participants, that the proposed transactions is in the best interests of the Participants.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-23006 Filed 8-28-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22796; 812-10420]

New England Funds Trust I, et al.; Notice of Application

August 22, 1997.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the "Act") from the provisions of section 15(a) of the Act and rule 18f-2 under the Act.

SUMMARY OF APPLICATION: Applicants request an order permitting TNE Advisers, Inc. ("TNE Advisers") and New England Fund Management, L.P. ("NEFM"), as investment advisers of certain funds, to enter into sub-advisory contracts on behalf of the funds without receiving prior shareholder approval.

APPLICANTS: New England Funds Trust I, New England Funds Trust II, New England Funds Trust III, New England Cash Management Trust, New England Tax Exempt Money Market Trust (collectively, the "New England Funds"), New England Zenith Fund (collectively with the New England Funds, the "Trusts"), TNE Advisers, and NEFM (together with TNE Advisers, the "Advisers").

FILING DATES: The application was filed on November 12, 1996, and amended on July 1, 1997 and August 22, 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 September 16, 1997, and should be accompanied by proof of service on the 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 who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. New England Funds and NEFM, 399 Boylston Street, 4th Floor, Boston, Massachusetts 02116. New England Zenith Fund and TNE Advisers, 501 Boylston Street, Boston, Massachusetts 02116.

FOR FURTHER INFORMATION CONTACT: Kathleen L. Knisely, Staff Attorney, at (202) 942-0517, or Mary Kay Frech, 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 from the SEC's Public Reference Branch, 450 Fifth Street, N.W. Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. Each of the New England Funds is organized as a Massachusetts business trust and registered under the Act as an open-end management investment company with one of more series. NEFM, a limited partnership, is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). NEFM serves as investment adviser to each of the New England Funds (except New England Growth Fund Series).

2. New England Zenith Fund (the "Zenith Fund") is organized as a Massachusetts business trust and registered under the Act as an open-end management investment company with one or more series. The Zenith Fund serves as a funding vehicle for certain variable annuity and variable life insurance products issued by Metropolitan Life Insurance Company ("MetLife") and its subsidiary New England Life Insurance Company ("NELICO"). TNE Advisers is registered as an investment adviser under the Advisers Act. TNE Advisers serves as investment adviser for each series of the Zenith Fund (except the Capital Growth Series).

3. Each series for the Zenith Fund (except the Capital Growth Series) and each series of the New England Funds (except the New England Growth Fund Series) (together, the "Series") utilizes the adviser/subadviser management structure.¹ Under this two-tiered

¹ Applicants also request relief for any Series of the Trusts organized in the future, and any open-end management investment companies in the future advised by NEFM or TNE Advisers or by a person controlling, controlled by, or under common control with NEFM or TNE Advisers that operates in substantially the same manner as the Trusts and

structure, NEFM (in the case of the New England Funds) or TNE Advisers (in the case of the Zenith Fund) acts as each Series' investment adviser, delegating the day-to-day portfolio management for each Series to one or more sub-advisers.

4. The New England Funds have entered into an advisory agreement with NEFM, which states that NEFM will provide both portfolio management services and administrative services to the New England Funds. TNE Advisers has entered into an advisory agreement with the Zenith Fund, which states that TNE Advisers will provide both portfolio management services and administrative services for each Series of the Zenith Fund for which TNE Advisers is the adviser. NEFM and TNE Advisers are responsible for: (a) Evaluating existing and prospective sub-advisers; (b) submitting recommendations to the boards of trustees of the Trusts concerning sub-advisers to be engaged by the Series; (c) monitoring and reporting to the Trusts' boards concerning investment results of the sub-advisers; (d) monitoring the sub-advisers' compliance with the Series' investment objectives, policies, and restrictions; and (e) when appropriate, recommending that the trustees of the relevant Trust terminate the services of a Series' sub-advisers.

5. NEFM and TNE Advisers have entered into sub-advisory agreements with one or more advisory firms (sub-advisers) with respect to each Series, pursuant to which the sub-advisers provide day-to-day portfolio management services. Each sub-advisory agreement requires the relevant sub-advisers to manage the investment and reinvestment of the assets of the Series, subject to the supervision of either NEFM or TNE Advisers and oversight by the trustees. The sub-advisers' responsibilities include effecting portfolio transactions and reporting periodically to NEFM or TNE Advisers, their agents, and the trustees of the Trusts.

6. Under their advisory agreements, NEFM and TNE Advisers receive from the relevant Series compensation at a specified annual percentage of the corresponding Series' average daily net assets. NEFM and TNE Advisers, in turn, compensate the relevant sub-advisers at specified annual percentage rates of the Series' average daily net assets. The sub-advisory fee paid to the sub-advisers is payable by NEFM or TNE Advisers, and not by the Series.

7. The Advisers have contractual rights under their applicable advisory

complies with the conditions to the requested order as set forth in the application.