

undertaken by the DOE in its program to manage the disposal of the nation's high-level radioactive waste and commercial spent nuclear fuel. In that same legislation, Congress directed the DOE to characterize a site at Yucca Mountain, Nevada, for its suitability as a potential location for a permanent repository for the disposal of that waste.

Dated: October 31, 1997.

William Barnard,

Executive Director, Nuclear Waste Technical Review Board.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22868; 812-10726]

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

October 30, 1997.

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

ACTION: Notice of application under section 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Order requested to allow certain series of three registered open-end investment companies to acquire all of the assets and liabilities of the series of another registered open-end investment company. Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

APPLICANTS: First American Investment Funds, Inc. ("FAIF"), First American Funds, Inc. ("FAF"), First American Strategy Funds, Inc. ("FASF"), First Bank National Association (the "Adviser"), First Trust National Association ("First Trust"), The Qualivest Funds (the "Trust"), Qualivest Capital Management, Inc. ("Qualivest"), and United States National Bank of Oregon ("U.S. Bank").

FILING DATES: The application was filed on July 18, 1997. Applicants have agreed to file an amendment, the substance of which is included in this notice, during the notice period.

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

November 20, 1997 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 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: FAIF, FAF, and FASF, Oaks, PA 19546; First Bank National Association, First Bank Place, 601 Second Avenue South, Minneapolis, MN 55480; First Trust National Association, 180 East Fifth Street, St. Paul, MN 55101; The Qualivest Funds, 3435 Stelzer Road, Columbus, OH 43219-3035; Qualivest, P.O. Box 2758, Portland, OR 97208; and U.S. Bank, 111 S.W. Fifth Avenue, Suite T-2, Portland, OR 97204.

FOR FURTHER INFORMATION CONTACT:

Mary T. Geffroy, Senior Counsel, at (202) 942-0553, 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 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. The Trust, a Massachusetts business trust, is an open-end management investment company registered under the Act. The Trust currently consists of thirteen series (the "Acquired Funds"). Qualivest is a subsidiary of U.S. Bank, and is the investment adviser to the Acquired Funds. U.S. Bank is a wholly-owned subsidiary of U.S. Bancorp. U.S. Bank and certain of its affiliates hold of record more than 5% of the outstanding shares of certain Acquired Funds. In addition, defined benefits plans for which Qualivest, U.S. Bank, or their affiliates have funding obligations own more than 5% of the outstanding shares of certain Acquired Funds.

2. FAIF, FAF, and FASF are open-end investment companies registered under the Act and each offers shares in certain series (some of which constitute the "Acquiring Funds"). FAIF¹, a Maryland corporation, offers shares in 20 series,

four of which are Acquiring Funds.² FAF³, a Minnesota corporation, currently consists of three series, two of which are Acquiring Funds.⁴ FASF, a Minnesota corporation, offers shares in four series, each of which is an Acquiring Fund.

3. The Adviser is registered under the Investment Advisers Act of 1940 and is the investment adviser for each of the Acquiring Funds. The Adviser and First Trust are wholly-owned subsidiaries of First Bank System, Inc. ("FBS"). First Trust and certain of its affiliates hold of record more than 5% of the outstanding shares of certain Acquiring Funds. In addition, defined benefit plans for which FBS, the Adviser, First Trust, or their affiliates have funding obligations own more than 5% of the outstanding shares of certain Acquiring Funds.

4. FBS and U.S. Bancorp entered into an Agreement and Plan of Merger on March 19, 1997, which provided that U.S. Bancorp would merge with and into FBS, with FBS continuing as the surviving corporation (the "Merger"). The Merger was consummated on or about September 2, 1997. At that time, the Adviser and First Trust became affiliated with Qualivest and U.S. Bank, and all of those entities became part of a common control group.

5. On June 4, 1997, the boards of directors of FAIF, FAF, and FASF (the "First American Boards"), including their disinterested directors, unanimously approved the reorganization (the "Reorganization"), and on June 17, 1997, the Board of Trustees of the Trust (the "Trustees") unanimously approved the Reorganization, including a draft Agreement and Plan of Reorganization (the "Reorganization Agreement"). Pursuant to the Reorganization Agreement, each Acquiring Fund proposes to acquire all of the assets and assume all of the liabilities of its corresponding Acquired Fund in exchange for shares of the Acquiring Fund based on the Funds' relative net asset values. The number of Acquiring Fund shares to be issued in exchange for each Acquired Fund share of each class will be determined by dividing the net asset values of one Acquiring Fund share of the appropriate corresponding class by the net asset value of one Acquired Fund share of such class, computed as of the close of trading on

² In addition, 2 new shell series are being created in FAIF and will constitute Acquiring Funds.

³ FAF was incorporated under the name "First American Money Fund, Inc." and changed its name to "First American Funds, Inc." in 1990.

⁴ A new series, the "Tax Free Obligations Fund," is being created in FAF and will be an Acquiring Fund.

¹ FAIF was incorporated in 1987 as "SECURAL Mutual Funds, Inc." and changed its name to "First American Investment Funds, Inc." in 1991.

the New York Stock Exchange on the date that the conditions to closing are satisfied or on a later date as the parties may agree (the "Effective Time").

6. The Acquiring Funds generally offer shares in three classes (Classes A, B, and C). Only Class A and Class C shares will be issued in the Reorganization. Class A shares generally are sold with a front-end sales charge. Purchases of \$1 million or more of Class A shares that are sold within 24 months after purchase are subject to a contingent deferred sales charge. Class A shares are not subject to any other contingent deferred sales charge, other sale charge, or any redemption fee. Class A shares are subject to shareholder servicing fees under a rule 12b-1 plan. Class C shares are not subject to a front-end, contingent deferred, or other sales charge, a redemption fee, or rule 12b-1 distribution or shareholder servicing fees.

7. The Acquired Funds offer shares in four classes (Classes A, C, Y, and Q). Class A shares generally are subject to a front-end sales charge, and under certain circumstances, a contingent deferred sales charge is imposed. Class A shares are subject to distribution fees under a rule 12b-1 plan. Class C shares of certain of the Acquired Funds may be subject to a contingent deferred sales charge, or distribution and shareholder services fees under a rule 12b-1 plan. Class Y shares are not subject to a contingent deferred sales charge or any other sales charge. These shares are offered only through trust departments of banks and other institutional investors for monies that are held in a fiduciary, agency, custodial, or similar capacity. Class Q shares are offered with no sales charge and no contingent deferred sales charge. Class Q shares generally are subject to rule 12b-1 fees. As a result of the Reorganization, holders of Class A shares and Class C shares of the Acquired Funds will become holders of Class A shares of the Acquiring Funds, and holders of Class Q shares and Class Y shares of the Acquired Funds will become holders of Class C shares of the Acquiring Funds, and will be subject to the sales charges, and the rule 12b-1 distribution and shareholder servicing fees applicable to the class of Acquiring Fund shares issued to them (as well as fund level expenses, such as investment advisory fees, of the relevant Acquiring Fund). In applying the deferred sales charge applicable to purchases of Class A shares with respect to which the front-end sales charge was waived, and applicable purchases of Class C shares, credit will be given for the period an Acquired Fund shareholder who is

subject to the deferred sales charge held his or her shares of the Acquired Fund.

8. Each Fund pays the Adviser an investment advisory fee annually, which the Adviser currently is waiving to the extent that total fund expenses exceed the average daily net assets of the respective Acquiring Funds. In addition, certain classes of each Fund pay annual distribution fees based on a percentage of the Fund's average daily net assets.

9. The investment objectives of each Acquired Fund and its corresponding Acquiring Fund are similar. The investment restrictions and limitations of each Acquired Fund and corresponding Acquiring Fund are substantially similar, but in some cases involve differences that reflect the differences in the general investment strategies utilized by the Funds.

10. On or before the Effective Time, the Acquired Fund will have declared a dividend and/or other distribution so that it will have distributed all of its investment company taxable income, exempt-interest income, and realized net capital gain, if any, for the taxable year ending on or prior to the Effective Time.

11. The Reorganization Agreement provides that, at the Effective Time of the Reorganization, each Acquiring Fund will issue and distribute to its corresponding Acquired Fund's shareholders of record, determined as of the Effective Time, the Acquiring Fund shares issued in exchange for the Acquired Fund shares. Afterwards, no additional shares representing interests in the Acquired Fund will be issued, and the Acquired Fund will be liquidated. The distribution will be accomplished by the issuance of the Acquiring Fund shares to open accounts on the share records of the Acquiring Fund in the names of the Acquired Fund shareholders representing the number of Acquiring Fund shares due each shareholder pursuant to the Reorganization Agreement. Simultaneously, all issued and outstanding shares of the Acquired Fund will be canceled on the books of the Acquired Fund. No sales charge will be incurred by Acquired Fund shareholders in connection with their acquisition of Acquiring Fund shares pursuant to the Reorganization Agreement.

12. In considering the Reorganization, the First American Boards, including the disinterested directors, and the Trustees, including the disinterested trustees, found that participation in the Reorganization is in the best interests of each Acquired Fund and Acquiring Fund, and that the interests of existing

shareholders of the Funds will not be diluted as a result of the Reorganization.

13. The First American Boards and the Trustees considered a number of factors in making their findings, including: (a) the terms and conditions of the Reorganization; (b) the tax-free nature of the Reorganization; (c) the costs of the Reorganization to the Funds; (d) the compatibility of the objectives, policies, and restrictions of the Funds; (e) the investment advisory fees, rule 12b-1 fees, and the sales charges that would become applicable to former shareholders of the Acquired Funds; and (f) the potential benefits to the Adviser. The First American Boards and the Trustees noted also that the larger size of the Acquiring Funds enables the Acquired Funds to achieve certain economies of scale, and potentially may increase operating efficiencies and facilitate portfolio management.

14. The Adviser will be responsible for the expenses incurred in connection with the Reorganization and any unamortized organizational expenses of the Acquired Funds existing at the Effective Time.

15. The Reorganization Agreement may be terminated by the mutual consent of the relevant First American Boards and the Trustees at any time prior to the Effective Time.

16. On August 8, 1997, applicants filed with the SEC a registration statement on Form N-14 containing a combined prospectus/proxy statement. Applicants sent the prospectus/proxy statement to shareholders of each Acquired Fund on or about September 15, 1997.

17. The consummation of the Reorganization is subject to the following conditions set forth in the Reorganization Agreement: (a) the shareholders of the Acquired Fund will have approved the Reorganization Agreement; (b) applicants will have received exemptive relief from the SEC with respect to the issues that are the subject of the application; (c) an opinion of counsel with respect to the federal income tax aspects of the Reorganization will have been received by applicants; and (d) the Adviser, or an affiliate of the Adviser, will have paid any unamortized organizational expenses on the books of the relevant Acquired Fund, and those expenses will not be reflected in the net asset value calculations made in connection with the Reorganization. Applicants agree not to make any material changes to the Reorganization Agreement that affect the application without prior SEC approval.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or any affiliated person of that person, acting as principal, from selling any security to, or purchasing any security from the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include any person that owns 5% or more of the outstanding voting securities of the other person, and any person directly or indirectly controlling, controlled by, or under common control with the other person; or, if the other person is an investment company, any investment adviser of the investment company.

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions are satisfied.

3. Applicants believe that they may not rely upon rule 17a-8 because the Funds may be affiliated for reasons other than those set forth in the rule. First Trust and its affiliates hold of record more than 5% of the outstanding shares of certain Acquiring Funds and hold or share voting power and/or investment discretion with respect to a portion of those shares.⁵ In addition, U.S. Bank and its affiliates hold of record more than 5% of the outstanding shares of certain Acquired Funds and hold or share voting power and/or investment discretion with respect to a portion of those shares.⁶ Because of these ownership interests, the Acquiring Fund may be deemed an affiliated person of an affiliated person of the

Acquired Fund, and vice versa, for reasons not based solely on their common adviser. Consequently, applicants are requesting an order pursuant to section 17(b) of the Act exempting them from section 17(a) to the extent necessary to consummate the Reorganization.

4. Section 17(b) of the act provides that the SEC may exempt a transaction from the provisions of section 17(a) if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned; the proposed transaction is consistent with the policy of each registered investment company concerned; and the proposed transaction is consistent with the general purposes of the Act.

5. Applicants submit that the terms of the Reorganization satisfy the standards set forth in section 17(b), in that the terms are fair and reasonable and do not involve overreaching on the part of any person concerned. Applicants note that the First American Boards and the Trustees, including the disinterested directors and trustees, found that participation in the Reorganization is in the best interests of each Fund and that the interests of the existing shareholders of each Fund will not be diluted as a result of the Reorganization. Applicants also note that the exchange of the Acquired Funds' shares for the Acquiring Funds' shares will be based on the Funds' relative net asset values.

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

Jonathan G. Katz,
Secretary.

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Register Notice with a 60-day comment period soliciting comments on the following collection of information was published on April 9, 1997, (62 FR 17276-17277).

DATES: Comments must be submitted on or before December 8, 1997.

FOR FURTHER INFORMATION CONTACT:

Judith Street, ABC-100; Federal Aviation Administration; 800 Independence Avenue, SW.; Washington, DC 20591; Telephone number (202) 267-9895.

SUPPLEMENTARY INFORMATION:

Federal Aviation Administration (FAA)

Title: Representatives of the Administrator, FAR 183.

OMB control number: 2120-0033.

Type of request: Extension of currently approved collection.

Affected Public: Individuals seeking to represent the Administrator in examining, testing, and certifying airmen for the purpose of issuing them airmen certificates.

Abstract: Title 49, U.S.C., Section 44702, authorizes appointment of properly qualified private persons to be representatives of the Administrator for examining, testing, and certifying airmen for the purpose of issuing them airmen certificates. The information collected is used to determine eligibility of the representatives. This submission will no longer cover the application for airmen medical examiners since that reporting burden now has its own OMB control number of 2120-0604.

Annual Estimated Burden Hours: 3,114.

Number of Respondents: 7,152.

Addressee: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW., Washington, DC 20503, Attention FAA Desk Officer.

Comments are Invited on: whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimate of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Reports, Forms and Recordkeeping Requirements Agency Information Collection Activity Under OMB Review

AGENCY: Office of the Secretary, DOT.

ACTION: Notice and request for comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collection and its expected burden. The **Federal**

⁵ Applicants state that the Acquiring Funds in which First Trust does not hold of record more than 5% of the outstanding shares also are unable to rely on rule 17a-8 because they are affiliated with the Acquired Funds for reasons other than those set forth in the rule. Applicants state that these Funds are affiliated with the Acquired Funds because they are affiliated with the Adviser under section 2(a)(3)(E) and, after the Merger (in which U.S. Bank and the Adviser will be merged), the Adviser will be an affiliate of the Acquired Funds under section 2(a)(3)(A) by virtue of U.S. Bank's ownership of more than 5% of the outstanding shares of certain of the Acquired Funds.

⁶ Applicants state that the one Acquired Fund (the U.S. Treasury Money Market Fund) that U.S. Bank does not hold of record 5% or more of the outstanding shares also is unable to rely on rule 17a-8 because it is affiliated with the Acquiring Fund for reasons other than those set forth in rule 17a-8. Applicants state that the Acquired Fund is affiliated with the Adviser under section 2(a)(3)(E) and, after the Merger, the Adviser will be an affiliate of the Acquiring Funds under section 2(a)(3)(C).