

automatic termination, of their Existing Advisory Agreements. In addition, applicants state that the Existing Advisory Agreement of UBSII with UBS Investor Portfolios will terminate in accordance with its terms.

3. Rule 15a-4 under the Act provides, in pertinent part, that if an investment advisory contract with an investment company is terminated by an assignment in which the adviser does not directly receive a benefit, the adviser may continue to serve for 120 days under a written contract that has not been approved by the company's shareholders, provided that: (a) the new contract is approved by the company's board of directors (including a majority of the non-interested directors); (b) the compensation to be paid under the new contract does not exceed the compensation that would have been paid under the contract most recently approved by the company's shareholders; and (c) neither the adviser nor any controlling person of the adviser "directly or indirectly receives money or other benefit" in connection with the assignment. Applicants state that they cannot rely on rule 15a-4 because UBS-NY Branch, UBSAM-NY or UBSII, or UBS as their controlling person, may be deemed to receive a benefit in connection with consummation of the Merger.

4. Section 6(c) 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 assert that the requested relief meets this standard.

5. Applicants submit that the terms and timing of the Merger were determined by UBS and SBC in response to a number of factors beyond the scope of the Act and substantially unrelated to the Funds. Applicants state that there is insufficient time to obtain shareholder approval of the New Advisory Agreements before the Closing Date. Applicants assert that the requested relief would permit continuity of investment management of the Funds, without interruption, during the period following consummation of the Merger.

6. UBS represents that the Funds will receive the same scope and quality of investment advisory services during the Interim Period. The relevant Adviser will render investment advisory services to the Funds under the New Advisory Agreements, which will be the same as the Existing Advisory Agreements,

except for the dates of execution and termination. Applicants assert that during the Interim Period, investment advisory services will be provided by investment management personnel with the same or comparable skills, experience and responsibilities, in the same manner and at the same fee levels. Applicants state that, in the event of any material change in personnel, the relevant Adviser will apprise and consult the Boards to assure that the Boards, including a majority of the non-interested directors, are satisfied that the services provided by the Adviser will not be diminished in scope or quality.

7. Applicants note that the fees payable to the Advisers during the Interim Period under the New Advisory Agreements will be at the same rate as the fees currently payable by each Fund under the Existing Advisory Agreements and have been approved by the appropriate Fund's Board and respective shareholders. Applicants also state that the fees will not be released to the Adviser by the Escrow Agent without an appropriate certification that the New Advisory Agreements have been approved by the Fund's respective shareholders.

Applicants' Conditions

Applicants agree that any order of the SEC granting the requested relief will be subject to the following conditions:

1. The New Advisory Agreements will contain the same terms and conditions as the Existing Advisory Agreements, except for the dates of execution and termination.

2. The portion of the investment advisory fees earned by an Adviser during the Interim Period will be maintained in an interest-bearing escrow account, and amounts in the account (including interest earned on such amounts) will be paid (a) to the Adviser only upon approval of each New Advisory Agreement by the applicable Fund's shareholders, or (b) in the absence of shareholder approval prior to the expiration of the Interim Period, to the Fund.

3. Each Fund will promptly schedule a meeting of shareholders to vote on approval of the New Advisory Agreements to be held within 150 days following the commencement of the Interim Period (but in no event after December 31, 1998).

4. UBS, UBSAM-NY and UBSII will pay the costs of preparing and filing the application, and the costs relating to the solicitation of approval of Fund shareholders of the New Advisory Agreements necessitated by the Merger.

5. UBS will take all appropriate actions to ensure that the scope and quality of investment advisory and other services provided to the Funds by the Advisers during the Interim Period will be at least equivalent, in the judgment of the Boards, including a majority of the non-interested Board members, to the scope and quality of services currently provided by the Adviser. In the event of any material change in the personnel providing services pursuant to the New Advisory Agreements, the Adviser will apprise and consult with the Boards to ensure that the Boards, including a majority of the non-interested Board members, are satisfied that the services provided will not be diminished in scope or quality.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40005; File No. SR-NASD-98-18]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Extension of Comment Period for Proposal Relating to Qualified Immunity in Arbitration Proceedings for Statements Made on Forms U-4 and U-5

May 19, 1998.

On April 21, 1998, the NASD Regulations, Inc. ("NASD Regulation") filed a proposed rule change with the Securities and Exchange Commission ("SEC" or "Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934.¹ NASD Regulation proposes to provide members of the NASD with qualified immunity in arbitration proceedings for statements made in good faith in certain disclosures filed with the NASD on Forms U-4 and U-5, the uniform registration and termination notices for registered persons.

Notice of the proposed rule change was provided by the issuance of Securities Exchange Act Release No. 39892 (April 21, 1998) and by publication in the **Federal Register** on April 28, 1998 (63 FR 23321). The Commission has received requests for an extension of time for public comment

¹ 15 U.S.C. 78s(b)(1).

on the proposed rule change.² The Commission hereby extends the period for public comment on the proposed rule change until June 19, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

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UNITED STATES SENTENCING COMMISSION

Sentencing Guidelines for the United States Courts

AGENCY: United States Sentencing Commission.

ACTION: Notice of preliminary priority areas for Commission study. Request for public comment.

SUMMARY: As part of its statutory authority and responsibility to analyze sentencing issues, including operation of the federal sentencing guidelines, and in accordance with Rules 3.5 and 5.2 of its Rules of Practice and Procedure, the Commission has preliminarily identified certain priorities as the principal focus of its policy development work in the coming year. The Commission invites comment on these tentatively identified priority areas and on any other sentencing issues that it should address during the coming year. The Commission has tentatively scheduled a hearing to receive public comment on these matters.

DATES: A hearing to receive public comment on future policy development priorities has been set for June 17, 1998, in the Commission's offices. Public comment and written testimony for the public hearing should be received on or before June 11, 1998.

ADDRESSES: Send comments to: United States Sentencing Commission, One Columbus Circle, NE, Suite 2-500 South, Washington, DC 20002-8002, Attention: Public Information-Priorities Comment. For Further Information Contact: Michael Courlander, Public Affairs Officer, at (202) 273-7731.

SUPPLEMENTARY INFORMATION: Policy development priorities preliminarily identified by the Commission for continuing work during the 1998-1999 amendment cycle are:

1. Revisions of the fraud, theft, and tax guidelines (including the monetary

tables used in these guidelines and other guidelines that reference those tables, consolidation of the theft, fraud, and property destruction guidelines, and the definition of "loss" in the theft and fraud guidelines).

2. Review and assessment of the criminal history guidelines.

3. Review and assessment of the guidelines and sentences imposed for homicide offenses.

In addition, the Commission expects to address recent legislative enactments, such as: (1) the Wireless Telephone Protection Act, relating to cloning cellular telephones; (2) the No Electronic Theft Act; (3) and any other legislation affecting sentencing policy that may be enacted in the remainder of this congressional session.

Obviously, the subject matter, scope, and duration of the Commission's policy development work during the coming year will be influenced considerably by the appointment of new commissioners and the timing of those appointments. Thus, at this time, the Commission has tentatively identified only a few areas in which its work is ongoing.

The Commission invites comment on whether and how it should further investigate these tentative priorities. Additionally, the Commission invites comment on any other sentencing issues that persons believe should be addressed in the coming year, including research issues that the Commission should address. To the extent practicable, comments submitted on additional issues should include the following: (1) a statement of the issue, including the scope and manner of study, particular problem areas and possible solutions, and any other matters relevant to an identified or proposed priority; (2) citations to applicable sentencing guidelines, statutes, case law, and constitutional provisions; and (3) a direct and concise statement of why the Commission should make the issue a priority.

Authority: 28 U.S.C. 994(a), (o).

Richard P. Conaboy,
Chairman.

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SOCIAL SECURITY ADMINISTRATION

Information Collection Activities: Proposed Collection Requests and Comment Requests

This notice lists information collection packages that will require submission to the Office of Management

and Budget (OMB), as well as information collection packages submitted to OMB for clearance, in compliance with Pub. L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995.

I. The information collection(s) listed below require(s) extension(s) of the current OMB approval(s) or are proposed new collection(s):

1. *Medical Report (General)—0960-0052.* The information on Form SSA-3826 is used by the Social Security Administration (SSA) to determine the claimant's physical status prior to making a disability determination and to document disability claims folders with the medical evidence. The respondents are physicians, hospitals, directors and medical records librarians.

Number of Respondents: 750,000.

Frequency of Response: 1.

Average Burden Per Response: 30 minutes.

Estimated Annual Burden: 375,000 hours.

2. *Payment of Certain Travel Expenses—0960-0434.* SSA uses the information required by 20 CFR, sections 404.999(d) and 416.1499 to reimburse a claimant who has been required to travel over 75 miles to appear at a medical examination or a disability hearing. The respondents are claimants who travel more than 75 miles in order to attend a medical examination or a disability hearing.

Number of Respondents: 50,000.

Frequency of Response: 1.

Average Burden Per Response: 10 minutes.

Estimated Annual Burden: 8,333 hours.

3. *Social Security Request for Information—0960-0531.* The information on Form SSA-6231 is used by SSA to complete or to clarify data on Forms SSA-623 or SSA-6230, previously provided by representative payees. The respondents are representative payees who furnished incomplete or unclear information.

Number of Respondents: 100,000.

Frequency of Response: 1.

Average Burden Per Response: 15 minutes.

Estimated Annual Burden: 25,000 hours.

4. *Statement Regarding Student's Attendance—0960-0113.* The information on Form SSA-2434 is used to determine student entitlement status for the children of coal miners, the children of their widows or the brothers of deceased coal miners eligible for black lung benefits. The respondents are dependents of deceased coal miners as cited above, who are attending school and about to attain age 18.

² By letter dated May 15, 1998 NASD Regulation has consented to an extension of the comment period. See letter from Jean I. Feeney, NASD Regulation, Inc., to Katherine A. England, Assistant Director, Division of Market Regulation, Commission.

³ 17 CFR 200.30-3(a)(12).