

Assessment is to identify initiatives that will improve the efficiency and effectiveness of the Incident Response Function. The purpose of this meeting is to solicit public comment and input on this subject.

The meeting will be an open forum following a brief introduction by NRC staff. Registration will be conducted before the meeting.

Dated at Rockville, Md., this 28th day of May, 1998.

For the Nuclear Regulatory Commission.

Thomas T. Martin,

Director, Office for Analysis and Evaluation of Operational Data.

[FR Doc. 98-14777 Filed 6-3-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23227; 812-11066]

PIMCO Funds, et al.; Notice of Application

May 29, 1998.

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

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

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

APPLICANTS: PIMCO Funds d/b/a/ PIMCO Funds: Pacific Investment Management Series ("PIMS"), PIMCO Funds: Multi-Manager Series ("MMS"), Pacific Investment Management Company ("PIMCO"), and PIMCO Advisors L.P. (the "Advisor").

FILING DATES: The application was filed on March 13, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected 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 June 23, 1998, 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, 2187 Atlantic Avenue, Stamford, Connecticut 06902.

FOR FURTHER INFORMATION CONTACT:

Lawrence W. Pisto, Senior Counsel, at (202) 942-0527, or Edward P. MacDonald, Branch Chief at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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. PIMS, a Massachusetts business trust, is an open-end management investment company registered under the Act. PIMS currently offers twenty-five investment portfolios, one of which is the PIMCO Municipal Bond Fund (the "Acquiring Fund"). The Acquiring fund has three classes of shares: (1) Class A shares, which are sold subject to a front-end sales charge; (2) Class B shares, which are sold subject to a contingent deferred sales charge; and (3) Class C shares, which are sold subject to an asset-based sales charge.

2. MMS, a Massachusetts business trust, is an open-end management investment company registered under the Act. MMS currently offers 22 investment portfolios, one of which is the Tax Exempt Fund (the "Acquired Fund," together with the Acquiring Fund, the "Funds"). The Acquired Fund offers three classes of shares, Class A, Class B, and Class C, which are identical to the respective classes of the Acquiring Fund, except that the front-end sales charge for Class A shares of the Acquiring Fund is lower than that for Class A shares of the Acquired Fund, and the Acquiring Fund's distributor has voluntarily waived a portion of the asset-based sales charge for Class C shares.

3. The Advisor, which is registered under the Investment Advisers Act of 1940 (the "Advisers Act"), serves as investment adviser to the Acquired Fund. A subsidiary of the Adviser, Columbus Circle Investors ("Columbus

Circle"), serves as portfolio manager of the Acquired Fund. Columbus Circle is registered under the Advisers Act. PIMCO, which is registered under the Advisers Act, is another subsidiary of the Adviser and serves as investment adviser to the Acquiring Fund. The Acquiring Fund began offering its shares to the public in April 1998, however, PIMCO provided its initial capital and, therefore, currently owns a substantial percentage of its outstanding shares.

4. On February 24, 1998, the board of trustees of PIMS and, on March 5, 1998, the board of trustees of MMS (together, the "Boards"), including a majority of the disinterested trustees, approved an Agreement and Plan of Reorganization (the "Plan"). The Plan provides for the transfer ("Reorganization") of the assets of the Acquired Fund to the Acquiring Fund in exchange for Class A, Class B and Class C shares of the Acquiring Fund ("Merger Shares") that have an aggregate net asset value equal to the aggregate net asset value of the Class A, Class B, and Class C shares of the Acquired Fund on the date of exchange (the "Exchange Date"). On the Exchange Date the Acquired Fund will distribute on a *pro rata* basis Merger Shares the value of which will be determined at 4:00 p.m., Eastern Standard Time or such other time as may be agreed upon in writing by the parties. The net asset value of the Merger Shares of the Acquiring Fund will be computed in the manner set forth in the then-current PIMS prospectus. The value of the assets and liabilities of the shares of the Acquired Fund will be determined by the Acquiring Fund, in cooperation with the Acquired Fund, pursuant to the Acquiring Fund's procedures, which are substantially similar to the procedures used by the Acquired Fund in determining the fair market value of its assets and liabilities.

5. No sales charge will be incurred by shareholders of the Acquired Fund in connection with their acquisition of Acquiring Fund shares. Applicants state that the investment objectives, policies and restrictions of the Acquiring Fund are substantially similar to those of the Acquired Fund. The Advisor will bear all costs and expenses of the Reorganization incurred by the Acquiring Fund. The Acquired Fund will bear \$24,241 of the costs and expenses it incurs in the Reorganization, with the Advisor bearing all costs and expenses in excess of that amount. The total costs and expenses of the Reorganization are estimated to be approximately \$100,000 to \$125,000.

6. The Boards determined that the Reorganization is in the best interests of the shareholders of the Funds and that

the current interests of the shareholders of the Funds would not be diluted as a result of the Reorganization. In assessing the Reorganization, the Board of the Acquired Fund considered: (a) Expense ratios and information regarding fees and expenses of the Funds; (b) terms and conditions of the Reorganization, including whether it would result in a dilution of the Acquired Fund's current shareholders; (c) the compatibility of the Acquiring Fund's investment objectives, policies and restrictions with those of the Acquired Fund; (d) the expertise of PIMCO in fixed income investing; (e) the capabilities and resources of PIMCO and its affiliates in the areas of investment management and shareholder servicing; (f) the growth opportunities afforded by the proposed Reorganization; (g) the tax consequences of the Reorganization to the Acquired Fund and its shareholders; and (h) the direct and indirect costs to be incurred by the Acquired Fund or its shareholders.

7. A proxy statement/prospectus describing the Reorganization, filed with the Commission on Form N-14 and declared effective on April 22, 1998, was sent to shareholders of the Acquired Fund in connection with the solicitation of proxies for a special meeting of the shareholders to be held on June 19, 1998.

8. The Reorganization is subject to the following conditions precedent: (a) That the shareholders of the Acquired Fund approved the Plan; (b) that the Funds receive an opinion of tax counsel that the proposed Reorganization will be tax-free for the Funds and their shareholders; (c) that applicants will receive from the SEC an exemption from section 17(a) of the Act for the Reorganization; and (d) if necessary, any approval from the relevant state securities administrator. Applicants agree not to make any material changes to the Reorganization 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 an affiliated person of such a person, acting as principal, from selling any security to, or purchasing any security from the company.

2. Section 2(a)(3) of the Act defines an "affiliated person of another person" to include any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of such other person, and any person directly or indirectly controlling, controlled by or under common control with such other

person, and if such other person is an investment company, any investment adviser of that company.

3. 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, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

4. Applicants believe that they may not rely on rule 17a-8 in connection with the Reorganization because the Funds may be deemed to be affiliated persons, or affiliated persons of an affiliated person, by reason other than having a common investment adviser, common directors, and/or common officers. The Acquiring Fund began to accept orders for the purchase of its shares beginning in April 1998. Applicants state, however, that PIMCO currently owns a substantial percentage of the Acquiring Fund's outstanding shares, consequently, it is possible that, as of the Exchange Date, PIMCO may own 5% or more, and possibly more than 25% of the outstanding voting securities of the Acquiring Fund.

5. 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, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

6. Applicants submit that the Reorganization satisfies the standards of section 17(b). Applicants believe the terms of the Reorganization are fair and reasonable and do not involve overreaching. Applicants state that the Reorganization will be based on the relative net asset values of the Funds' shares. Applicants also state that the primary investment objective for each Fund is to seek high current income exempt from federal income tax, consistent with preservation of capital. It is a policy of each Fund that, under normal market conditions, at least 80% of its net assets will be invested in Municipal Bonds. Applicants also state that the Boards, including a majority of the independent trustees, have made the requisite determinations that the participation of the relevant Fund in the proposed Reorganization is in the best interests of the Fund, and that such

participation will not dilute the interests of shareholders of the Fund.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-14827 Filed 6-3-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26880]

Filings Under the Public Utility Holding Company Act of 1935, as amended ("Act")

May 29, 1998.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by June 23, 1998, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After June 23, 1998, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

WPS Resources Corporation (70-9179)

WPS Resources Corporation ("WPSR"), 700 North Adams Street, P.O. Box 19001, Green Bay, Wisconsin 54307-9001, an exempt public utility holding company under section 3(a)(1) of the Act, has filed an application under sections 9(a)(2) and 10 of the Act.

WPSR proposes to acquire all of the issued and outstanding voting securities the "Common Stock") of Upper