

(3) How should NRC assure that public access is maintained in the following areas:

- a. In the agency's review of the industry initiatives?
- b. To information related to the bases for the agency's acceptance of the initiative?

Breakout Session III: Improvements to Regulatory Framework

Open discussion is invited on the following topics:

A. Reactor event reporting requirements. 10 CFR § 50.72, "Immediate notification requirements for operating nuclear power reactors," and 10 CFR § 50.73, "Licensee event report system" are currently the subject of a rulemaking effort to: (a) update the current rules, including reducing the reporting burden associated with events of little or no safety significance, and (b) better align the rules with the NRC's current needs, including (i) obtaining information better related to risk and (ii) reconsidering the required reporting times in relation to the need for prompt NRC action.

(1) Other reporting requirements applicable to nuclear power plants. Are there additional areas (outside of § 50.72 and § 50.73) where event reporting requirements can be risk-informed and/or simplified?

(2) What changes should be made in those areas? For example, the time limit for reporting could be adjusted based on the safety significance of the event and the need for NRC's immediate action. The burden associated with reporting events or conditions with little or no safety or risk significance should be minimized.

(3) What would be the change in reporting burden associated with such changes?

B. Development of a systematic process and identification of candidate issues for improving the effectiveness and efficiency of rules, standards, regulatory guidance, and their application.

(1) NRC Process Development. The staff will discuss and seek comments from stakeholders on the staff process of (i) candidate issue identification utilizing a variety of readily available sources and databases; (ii) the analysis of the candidate issue for generic applicability, risk, effectiveness and efficiency; (iii) issue prioritization and disposal, and (iiii) the initiative to achieve more performance-based regulation.

(2) Candidate Issue Proposals. The staff welcomes the proposal of candidate issues for improving rules, standards, regulatory guidance, and their application. This will include

consideration of issues that may improve safety, as well as issues that may reduce regulatory impact. Candidate issues will be most seriously addressed if they are provided with a discussion of (i) resource impact on the industry and the NRC, (ii) a quantitative or qualitative assessment of their impact on risk, and (iii) options of ways to address the issue.

Dated in Rockville, Maryland this 23rd day of June, 1998.

For the Nuclear Regulatory Commission.

Frank C. Cherny,

Acting Chief, Generic Safety Issues Branch, Division of Regulatory Applications, Office of Nuclear Regulatory Research.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23263; 812-10804]

The Lipper Funds, Inc.; Notice of Application

June 22, 1998.

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

ACTION: Notice of application for an order under section 6(c) of the Investment Company Act of 1940 ("Act").

SUMMARY OF APPLICATION: Applicants request an exemption from section 15(f)(1)(A) of the Act to permit a former director (Mr. Biderman) of the Company to rejoin the Company's board of directors.

APPLICANTS: The Lipper Funds, Inc. and Prime Lipper Asset Management.

FILED DATES: The application was filed on October 1, 1997, and amended on June 2, 1998. Applicants have agreed to file an additional amendment, the substance of which is incorporated 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 July 17, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants: The Lipper Funds, Inc. and Prime Lipper Asset Management, 101 Park Avenue, New York, N.Y. 10178.

FOR FURTHER INFORMATION CONTACT:

Mary T. Geffroy, Senior Counsel, at (202) 942-0553, 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) 8090).

Applicant's Representations

1. The Lipper Funds, Inc. (the "Company") is an open-end management investment company registered under the Act. The Company consists of three investment portfolios, one of which is the Prime Lipper Europe Equity Fund (the "Europe Equity Fund"). Prime Lipper Asset Management ("PLAM"), a New York general partnership and an investment adviser registered under the Investment Advisers Act of 1940, serves as investment adviser for the Europe Equity Fund.

2. PLAM is a joint venture owned equally by its two general partners, Lipper Europe L.P. and Prime U.S.A. Inc. ("Prime USA"). Lipper Europe L.P. ("Lipper Europe") is a Delaware limited partnership controlled by Lipper & Company, Inc. ("Lipper Inc."). Prime USA, a Delaware corporation, is a wholly-owned subsidiary of Prime S.p.A., an asset management firm. Prime S.p.A. currently is controlled by Assicurazioni Generali ("Generali"), an Italian insurance company. Generali acquired control of Prime S.p.A. on December 20, 1996, when Fiat S.p.A. sold to Generali 95.1% of the outstanding stock of Prime S.p.A. (the "Transaction"). The Transaction was deemed to result in an assignment of PLAM's investment advisory agreement with the Europe Equity Fund under the Act.

3. PLAM is governed by a management committee of four individuals. Each general partner appointed two members to the management committee. Mr. Biderman is an employee of Lipper Inc. and serves on the management committee on PLAM as one of the two Lipper Europe representatives.

4. Mr. Biderman previously served as a director on the board of directors of the Company (the "Board"), including the Europe Equity Fund, but resigned effective as of the closing of the Transaction to enable the Transaction to remain subject to the safe harbor provisions of section 15(f) of the Act (described below). Applicants would like Mr. Biderman to rejoin the Board without removing the Transaction from the safe harbor.

Applicant's Legal Analysis

1. Section 15(f) of the Act is a safe harbor that permits an investment adviser to a registered investment company (or an affiliated person of the investment adviser) to receive "any amount or benefit" in connection with a sale of securities of, or sale of any other interest in, the investment adviser that results in an "assignment" of the advisory contract with the investment company, if certain conditions are met. Section 15(f)(1)(A) requires that, for a period of three years after the sale, at least 75 percent of the board of directors of the investment company may not be "interested persons" with respect to either the predecessor or successor adviser of the investment company.

2. Section 2(a)(4) of the Act defines "assignment" to include: "any direct or indirect transfer * * * of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor." Applicants state that the Transaction was deemed to result in an assignment of PLAM's investment advisory agreement with the Europe Equity Fund. Applicants further state that the parties to the Transaction sought to rely on the safe harbor in section 15(f) in connection with that assignment. Because Mr. Biderman may be deemed an interested person of PLAM, Mr. Biderman resigned from the Company's Board as the closing of the Transaction in order for the Company's Board to meet the requirements of section 15(f)(1)(A).

3. Section 6(c) of the Act permits the SEC to exempt any person or transaction from any provision of the Act, or any rule or regulation thereunder, if the 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.

4. Applicants request an order under section 6(c) to permit Mr. Biderman to rejoin the Board without causing the Transaction to fall outside the safe harbor of section 15(f) of the Act. Applicants state that Mr. Biderman was not affiliated with any party to the Transaction, except indirectly as a

representative of Lipper Europe, a joint venturer with Prime USA in PLAM. Applicants further state that neither Mr. Biderman nor Lipper Inc. has any ownership interest in Prime USA, Prime S.p.A., Fiat or Generali and derived no economic interest from the Transaction. Applicants also state that the advisory fees received by Lipper Inc. and Prime S.p.A. through their respective ownership interests in PLAM are not a material portion of the revenues of either Lipper Inc. or Prime S.p.A.

5. Applicants further state that the disinterested directors of the company unanimously approved the filing of the application for exemptive relief as in the best interests of the Company's shareholders to permit Mr. Biderman to rejoin the Board. Mr. Biderman has served on the Board since its initial organization in 1995 and has been intimately involved in the operations of the Europe Equity Fund. Applicants assert that Mr. Biderman's inability to serve on the Board also deprives the Company's other portfolios of his services.

6. Applicants state that the Board could meet the requirements of section 15(f)(1)(A) if, in addition to Mr. Biderman, three disinterested directors were added to the Board. Applicants contend, however, that reconstituting the Board in this manner would result in a disproportionately large Board and would impose additional expenses on the Company. Applicants note that if Mr. Biderman rejoins the Board, the Board still will have a majority of directors who are not interested persons of PLAM.

7. Applicants assert that the conditions by which they would abide as long as they are relying on the requested order will assure that the safeguards embodied in section 15(f)(1)(A) are maintained. These conditions require, among other things, that during the period covered by the requested order, the fees paid by the Europe Equity Fund to PLAM will not increase and that applicants take all appropriate actions to ensure that the scope and quality of services provided by PLAM to the Europe Equity Fund will be at least equivalent to that which PLAM has provided since the Transaction.

8. For the reasons stated above, applicants submit that the requested relief is necessary and 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.

Applicant's Conditions

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

1. Applicants will take all appropriate actions to ensure that the scope and quality of investment advisory services that PLAM provides to the Europe Equity Fund will be at least equivalent to that which has been provided by PLAM since the Transaction.

2. The investment advisory fees payable by the Europe Equity Fund to PLAM under its investment advisory agreement with PLAM will not be increased.

3. If, within three years of the completion of the Transaction, it becomes necessary to replace any director of the Company, that director will be replaced by a director who is not an "interested person" of PLAM within the meaning of section 2(a)(19)(B) of the Act, unless at least 75% of the directors at that time are not interested persons of PLAM.

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. 35-26888]

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

June 19, 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 July 14, 1998, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant application(s) and/or declaration(s) at the address(es) specified below. Proof of service by affidavit or, in case of an attorney at