

facility, including challenges to the single-failure criterion, inadequate safety evaluations, potential overreliance on Yankee Atomic Electric Company analyses, an inadequate operational experience review program, high potential for other serious safety problems, and lack of adequate perimeter security. The Petitioner also attached four documents prepared by the Union of Concerned Scientists (UCS). One UCS document, dated May 14, 1998, provided a review of Vermont Yankee Daily Event Reports (DERs) made over the previous year as requested by CAN. DERs are verbal reports made by licensees under 10 CFR 50.72 to the NRC and put in written form by the NRC. Another UCS document, dated January 29, 1998, was addressed to the NRC Region I Senior Allegation Coordinator; it discussed a specific concern with NRC Daily Event Report 33545 of January 15, 1998, associated with Vermont Yankee water hammer on certain systems. The third document, a UCS letter dated May 5, 1997, to the NRC Chairman and Commissioners, discussed mislocated fuel bundle loading errors. The final UCS document attached was titled "Potential Nuclear Safety Hazard Reactor Operation with Failed Fuel Cladding," dated April 2, 1998. By letter dated June 9, 1998, Petitioner renewed the request for relief based on the events occurring on June 9, 1998, at Vermont Yankee and reported by the licensee in DER 34366. This event involved the automatic shutdown of the reactor due to problems in the feedwater system. The Petitioner states that this event indicates a lack of reasonable assurance that safety-related systems at Vermont Yankee will perform adequately.

The request is being treated pursuant to 10 CFR 2.206 of the Commission's regulations. The request has been referred to the Director of the Office of Nuclear Reactor Regulation. As provided by Section 2.206, appropriate action will be taken on this petition within a reasonable time.

By letter dated July 6, 1998, the Director denied Petitioner's request for immediate action at Vermont Yankee Nuclear Power Station.

A copy of the petition is available for inspection at the Commission's Public Document Room at 2120 L Street, N.W., Washington, D.C. 20555-0001 and at the local public document room located at Brooks Memorial Library, 224 Main Street, Brattleboro, VT 05301.

Dated at Rockville, Maryland, this 6th day of July, 1998.

For the Nuclear Regulatory Commission.  
**Samuel J. Collins,**  
*Director, Office of Nuclear Reactor Regulation.*  
 [FR Doc. 98-18547 Filed 7-10-98; 8:45 am]  
 BILLING CODE 7590-01-P

## NUCLEAR REGULATORY COMMISSION

### Fire Barrier Penetration Seals in Nuclear Power Plants; Availability of Draft NUREG-1552, Supp. 1

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Notice of availability.

**SUMMARY:** The Nuclear Regulatory Commission is announcing the availability of Draft NUREG-1552, Supplement 1, "Fire Barrier Penetration Seals in Nuclear Power Plants," dated June 1998, for public comment. Comments on the previously published NUREG-1552, "Fire Barrier Penetration Seals in Nuclear Power Plants," July 1996, are also being accepted.

**DATES:** Submit comments by September 11, 1998. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

**ADDRESSES:** NUREG-1552 and Draft NUREG-1552, Supplement 1 are available for inspection and copying for a fee at the NRC Public Document Room, 2120 L Street NW. (Lower Level), Washington, DC 20038. A free single copy of Draft NUREG-1552, Supplement 1, to the extent of supply, may be requested by writing to U.S. Nuclear Regulatory Commission, Printing and Graphics Branch, Washington, DC 20555-0001.

**FOR FURTHER INFORMATION CONTACT:** Chris Bajwa, Plant Systems Branch, Division of Systems Safety and Analysis, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Telephone: 301-415-1237

### Electronic Access

Draft NUREG-1552, Supplement 1, is also available electronically by visiting NRC's Home Page (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 6th day of July, 1998.

For the Nuclear Regulatory Commission.  
**Gary Holahan,**  
*Director, Division of Systems Safety and Analysis, Office of Nuclear Reactor Regulation.*  
 [FR Doc. 98-18549 Filed 7-10-98; 8:45 am]  
 BILLING CODE 7590-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Existing Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, 450 5th Street, N.W., Washington, D.C. 20549

#### Extension:

Rule 17j-1 [17 CFR 270.17j-1], SEC File No. 270-239, OMB Control No. 3235-0224

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Rule 17j-1 under the Investment Company Act of 1940 (15 U.S.C. 80a) (the "Investment Company Act") addresses conflicts of interest between registered investment company ("fund") personnel and their funds that may arise when fund personnel buy or sell securities for their personal accounts ("personal investment activities"). Rule 17j-1, which the Commission adopted in 1980,<sup>1</sup> generally prohibits fund personnel from engaging in fraud in connection with personal transactions in securities held or to be acquired by the fund. In order to prevent fraud, the rule currently: (i) Requires a fund and each investment adviser and principal underwriter to the fund (collectively, "rule 17j-1 organizations") to adopt a code of ethics ("code") designed to prevent "access persons"<sup>2</sup> from engaging in fraudulent securities activities, (ii) requires an access person to report personal securities transactions to his or her rule 17j-1 organization at least quarterly, and (iii) requires a rule 17j-1 organization to maintain certain records.

In 1995, the Commission issued a release proposing amendments to rule 17j-1 ("Proposing Release").<sup>3</sup> The

<sup>1</sup> Prevention of Certain Unlawful Activities With Respect To Registered Investment Companies, Investment Company Act Release No. 11421 (Oct. 31, 1980) [45 FR 73915 (Nov. 7, 1980)].

<sup>2</sup> Rule 17j-1 defines "access person" to include directors, officers, general partners, and any employee who, in connection with his or her regular functions or duties, participates in the selection of a fund's portfolio securities or who has access to information regarding a fund's upcoming purchases or sales of portfolio securities.

<sup>3</sup> Personal Investment Activities of Investment Company Personnel and Codes of Ethics of Investment Companies and their Investment

proposed amendments would require, among other things, that a majority of a fund's board, including a majority of independent directors, approve the fund's code, and review the codes of any investment adviser or principal underwriter to the fund. The proposed amendments also would require that the management of a rule 17j-1 organization, at least once a year, provide the fund's board with an issues and certification report: (i) Describing issues that arose during the previous year under the codes of ethics applicable to the rule 17j-1 organization, and (ii) certifying to the fund's board that the rule 17j-1 organization has adopted procedures that are reasonably necessary to prevent its access persons from violating its code of ethics.

In order to facilitate the identification of all securities held by access persons, the proposed amendments would require that every access person provide an initial holdings report to his or her rule 17j-1 organization listing all securities beneficially owned by the access person at the time that he or she becomes an access person. The proposed amendments also would expand the types of securities excepted from the requirements of the rule, thereby increasing the number of rule 17j-1 organizations and access persons excluded from the rule's requirements concerning codes of ethics, quarterly transaction reports, and initial holdings reports.

Funds also currently are not required to disclose to the public any information about their codes of ethics. In order to provide more information to the public about a fund's policies concerning personal investment activities, the proposed amendments to rule 17j-1 would require a fund to disclose in its registration statement: (i) That the fund and its investment adviser and principal underwriter have adopted codes of ethics, (ii) whether these codes permit personnel subject to the codes to invest in securities for their own accounts, and (iii) that the codes are on public file with, and are available from, the

Commission.<sup>4</sup> The proposed conforming amendments to rule 204-2 under the Investment Advisers Act of 1940 (15 U.S.C. 80b) (the "Advisers Act")<sup>5</sup> would reduce the burden on registered investment advisers by expanding the types of transactions in securities excepted from the rule's recordkeeping requirement.

The requirement that the management of a 17j-1 organization provide the fund's board with an annual issues and certification report is intended to enhance board oversight of personal investment policies applicable to the fund and the personal investment activities of access persons. The requirement that every access person provide an initial holdings report is intended to help fund compliance personnel and the Commission's examinations staff monitor potential conflicts of interest and detect potentially abusive activities. The requirement that each rule 17j-1 organization maintain certain records is intended to assist rule 17j-1 organizations and the Commission's examinations staff in determining whether there have been violations of rule 17j-1.

The requirement that a fund make available in its registration statement information on the fund's policies concerning personal investment activities is intended to promote the integrity of the fund industry and provide investors with information they may want when making investment decisions. Disclosure also may encourage fund boards to give closer consideration when approving and reviewing the contents of codes of ethics applicable to their funds.

The conforming amendments to rule 204-2 are intended to reduce the reporting and recordkeeping burden on advisers and to modify rule 204-2(a) to except from the recordkeeping requirement transactions in securities that are excepted from the definition of "security" in rule 17j-1.

The Commission's staff estimates that there are approximately 3,800 registered investment companies that would be

required to comply with the requirements of rule 17j-1. Investment advisers and principal underwriters of registered investment companies also are required to comply with certain requirements of rule 17j-1. The staff estimates that there are approximately 7,500 investment advisers registered with the Commission, of which the staff estimates 820 are investment advisers to registered investment companies. The staff also estimates that there are approximately 425 principal underwriters of registered investment companies.<sup>6</sup>

The staff estimates that each year 275 new rule 17j-1 organizations each will expend 8 burden hours to formulate and provide codes of ethics for a total of 2,200 burden hours. The staff estimates that the management of 5,045 rule 17j-1 organizations<sup>7</sup> each will annually expend 3 burden hours to provide the fund board with an annual issues and certification report for a total of 15,135 burden hours. The staff estimates that access persons<sup>8</sup> each will expend .5 burden hours for the filing of each quarterly transaction report<sup>9</sup> for a total

<sup>6</sup> Funds that are money market funds or that invest only in securities excluded from the definition of "security" in rule 17j-1, and any investment advisers, principal underwriters, and access persons to these funds, do not have to comply with the rule's requirements concerning codes of ethics, quarterly transaction reports, and initial holdings reports. The estimated number of respondents reported in this section may therefore overstate the number of entities actually required to comply with the rule's requirements.

<sup>7</sup> Comprised of an estimated 3,800 registered companies, 820 investment advisers to registered investment companies, and 425 principal underwriters to registered investment companies.

<sup>8</sup> The Commission estimates that, on average, a rule 17j-1 organization will have 20 access persons. This number may vary considerably depending on the size of the rule 17j-1 organization. Under rule 17j-1, access persons of investment advisers to funds are exempt from filing quarterly transaction reports if the reports would duplicate information provided under rule 204-2 of the Advisers Act. Thus, the Commission staff estimates that the number of access persons filing quarterly transaction reports is equal to the average number of access persons for each 17j-1 organization multiplied by the total number of funds and principal underwriters of funds ( $20 \times (3800 + 425) = 84,500$ ).

<sup>9</sup> The number of access persons who are required to file quarterly transaction reports will vary depending on the personal investment activities of each access person. In addition, proposed rule 17j-1 contains several exceptions to filing quarterly transaction reports, including an exception if the report would duplicate information contained in broker trade confirmations or account statements received by the rule 17j-1 organization. Although a number of access persons may, on average, have transactions to report during more than one quarter each year, many access persons also may not have to provide a quarterly transaction report because their 17j-1 organizations have received the information in a broker trade confirmation or account statement. Accordingly, the Commission staff has estimated that each access person, on

Advisers and Principal Underwriters, Investment Company Act Release No. 21341 (Sept. 8, 1995) [60 FR 47844 (Sept. 14, 1995)]. The Commission's proposal was based on reports prepared by the Commission's Division of Investment Management and the Investment Company Institute ("ICI") Advisory Group on Personal Investing, which studied the practices and standards governing personal investment activities of fund personnel. Division of Investment Management, Personal Investment Activities of Investment Company Personnel (1994); ICI, Report of the Advisory Group on Personal Investing (1994). These studies followed press reports and Congressional inquiries in the early 1990s regarding the personal investment activities of fund personnel.

<sup>4</sup> The registration forms the Commission is proposing to amend are: Form N-1A (open-end funds); Form N-2 (closed-end funds); Form N-3 (separate accounts that offer variable annuity contracts that are registered under the Investment Company Act); Form N-5 (small business funds); and Form N-8B-2 (unit investment trusts). Although the Commission has not proposed amending Form S-6 (unit investment trusts), the proposed amendments to Form N-8B-2 would affect the burden of complying with Form S-6 because Form S-6 requires a unit investment trust to provide information required by Form N-8B-2.

<sup>5</sup> Rule 204-2(a)(12), (13) [17 CFR 275.204-2(a)(12), (13)].

of 42,250 burden hours. The staff estimates that each year new access persons each will expend 1 burden hour for the filing of an initial holdings report to be provided by persons who become access persons<sup>10</sup> for a total of 4,895 burden hours. Finally, the staff estimates that 5,045 rule 17j-1 organizations each will expend 2 burden hours to maintain records of codes of ethics, records of violations of codes of ethics, reports by access persons, and issues and certification reports for a total of 10,090 burden hours.

The total annual burden of the rule's paperwork requirements therefore is estimated to be 74,570 hours. This estimate represents an increase of 25,470 hours from the prior estimate of 49,100 hours. The increase in burden hours is attributable to updated information about the number of affected portfolios and other entities, and to a more accurate calculation of the component parts of some information burdens.

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Written comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in

average, would file one quarterly transaction report each year.

<sup>10</sup> Based on conversations with the industry, the Commission estimates that, on average, rule 17j-1 organizations will have two new access persons each year. However, proposed rule 17j-1 would not require an access person to submit an initial holdings report if the access person has previously provided information equivalent to that which is required in the initial holdings report. Proposed rule 17j-1 also contains several other exceptions to filing initial holdings reports. The Commission therefore estimates after taking into consideration the number of respondents excluded from this requirement of the rule, that, on average, there will be 4,895 annual responses to this requirement.

writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, Mail Stop 0-4, 450 5th Street, N.W., Washington, DC 20549.

Dated: July 6, 1998.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-18591 Filed 7-10-98; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of July 13, 1998.

A closed meeting will be held on Thursday, July 16, 1998, at 11:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The closed meeting scheduled for Thursday, July 16, 1998, at 11:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: July 9, 1998.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-18677 Filed 7-9-98; 10:57 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40176; File No. SR-MSRB-98-9]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Reports of Sales and Purchases, Pursuant to Rule G-14

July 7, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 17, 1998, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Board is filing a proposed rule change to institute a service ("the Service") to provide daily reports from the Board's Transaction Reporting Program ("the Program") that will summarize information about customer and inter-dealer transactions in municipal securities reported to the Board under rule G-14. The Board is establishing a fee for an annual subscription to the Service of \$15,000. The proposed fee is structured to defray the Board's cost of disseminating the transaction data and to defray, in part, the cost of collecting and compiling transaction data that will be used in the Program. The Board does not expect or intend to make a profit from the Service.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Board included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Board has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.