

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The U.S. National Commission on Libraries and Information Science; Sunshine Act Meetings

TIME, DATE, AND PLACE: September 27, 1998, 1:00–5:00 p.m., The Hotel Washington (Capital Room), 515 15th Street, NW, Washington, DC.

MATTERS TO BE DISCUSSED: NCLIS committees, programs and plans, Legislative update, Plans, NCLIS/ National Museum Services Board Meeting.

September 28, 1998—9:00 a.m.–12:30 p.m., Institute of Museum and Library Services, 1100 Pennsylvania Avenue, NW (M-09), Wash., DC, NCLIS/ National Museum Services Board Meeting

September 28, 1998—2:00–4:15 p.m., The Hotel Washington (Capital Room)

MATTERS TO BE DISCUSSED: Library Statistics Program, NCLIS/NMSB Joint Meeting, NCLIS FY 1998 fiscal statement, FY 1999 program plans, Administrative matters, Comments, NCLIS liaisons, guest and observers.

To request further information or to make special arrangements for physically challenged persons, contact Barbara Whiteleather (202–606–9200) no later than one week in advance of the meeting.

Dated: August 27, 1998.

Robert S. Willard,

NCLIS Executive Director.

[FR Doc. 98–23758 Filed 8–31–98; 2:36 pm]

BILLING CODE 7527–01–M

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[98–113]

Notice of Agency Report Forms Under OMB Review

SUMMARY: The National Aeronautics and Space Administration, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995 (Public Law 104–13, 44 U.S.C. 3506(c)(2)(A)). Information collection is required to ensure proper use of and disposition of rights to inventions made in the course of, and data developed under NASA contracts.

DATES: All comments should be submitted on or before November 2, 1998.

ADDRESSES: All comments should be addressed to Mr. Richard Kall, Code HK, National Aeronautics and Space Administration, Washington, DC 20546–0001.

FOR FURTHER INFORMATION CONTACT: Ms. Carmela Simonson, NASA Reports Officer, (202) 358–1223.

Title: Cost reduction Proposals under the NASA FAR Supplement
OMB Number: 2700–0094

Type of review: Revision of a currently approved Collection

Need and Uses: This program provides an incentive for contractors to propose and implement, with NASA approval, significant cost reduction initiatives on current and follow-on contracts.

Affected Public: Business or other for-profit, Not-for-profit institutions

Number of Respondents: 9

Responses Per Respondent: 1.25

Annual Responses: 11.25

Hours Per Request: 45

Annual Burden Hours: 506

Frequency of Report: on occasion

Donald J. Andreotta,

Deputy Chief Information Officer

(Operations), Office of the Administrator.

[FR Doc. 98–23676 Filed 9–1–98; 8:45 am]

BILLING CODE 7510–01–U

OFFICE OF MANAGEMENT AND BUDGET

Budget Analysis Branch; Sequestration Update Report

AGENCY: Office of Management and Budget—Budget Analysis Branch.

ACTION: Notice of Transmittal of Sequestration Update Report to the President and Congress.

SUMMARY: Pursuant to Section 254(b) of the Balanced Budget and Emergency Control Act of 1985, as amended, the Office of Management and Budget hereby reports that it has submitted its Sequestration Update Report to the President, the Speaker of the House of Representatives, and the President of the Senate.

FOR FURTHER INFORMATION CONTACT: Ellen Balis, Budget Analysis Branch—202/395–4574.

Dated: August 27, 1998.

Stephen A. Weigler,

Deputy Associate Director for Administration.

[FR Doc. 98–23637 Filed 9–1–98; 8:45 am]

BILLING CODE 3110–01–P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Form N–2, SEC File No. 270–21, OMB Control No. 3235–0026

Form N–5, SEC File No. 270–172, OMB Control No. 3235–0169

Form N–8A, SEC File No. 270–135, OMB Control No. 3235–0175

Rule 17f–5, SEC File No. 270–259, OMB Control No. 3235–0269

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Form N–2—Registration Statement of Closed-end Management Investment Companies

Form N–2 is the form used by closed-end management investment companies (“closed-end funds”) to register as investment companies under the Investment Company Act of 1940 [15 U.S.C. 80a–1 *et seq.*] (“Investment Company Act”) and to register their securities under the Securities Act of 1933 [15 U.S.C. 77a *et seq.*] (“Securities Act”). Section 5 of the Securities Act [15 U.S.C. 77e] requires the filing of a registration statement prior to the offer of securities to the public and that the statement be effective before any securities are sold. The primary purpose of the registration process is to provide disclosure of financial and other information to investors and potential investors for the purpose of evaluating an investment in a security. Section 5(b) of the Securities Act requires that investors be provided with a prospectus containing the information required in a registration statement prior to the sale or at the time of confirmation or delivery of the securities.

A closed-end fund is required to register as an investment company under Section 8(a) of the Investment Company Act [15 U.S.C. 80a–8(a)]. Form N–2 permits a closed-end fund to provide investors with a prospectus covering essential information about the fund when the fund makes an initial or additional offering of its securities. More detailed information is provided to interested investors in the Statement of Additional Information (“SAI”). The

SAI is provided to investors upon request and without charge.

The Commission uses the information provided in Form N-2 registration statements to determine whether closed-end funds have complied with the requirements of the Investment Company Act.

We estimate that closed-end funds file 44 initial registration statements and 39 amendments to registration statements—a total of 83 filings—on Form N-2 each year. Based on consultations with a sample of recent filers, we estimate that the hour burden to prepare and file an initial Form N-2 filing is 500 hours and the hour burden to prepare an amendment is 100 hours. The total hour burden for all closed-end funds filing Form N-2 is 25,900 hours per year.

Filing a registration statement on Form N-2 is mandatory for closed-end funds before making a public offering. Responses will not be kept confidential.

Form N-5—Registration Statement of Small Business Investment Companies

Form N-5 is the integrated registration statement form adopted by the Commission for use by a small business investment company which has been licensed as such under the Small Business Administration and has been notified by the Administration that the company may submit a license application, to register its securities under the Securities Act and to register as an investment company under section 8 of the Investment Company Act. The purpose of registration under the Securities Act is to ensure that investors are provided with material information concerning securities offered for public sale that will permit investors to make informed decisions regarding such securities. The Commission reviews the registration statements for the adequacy and accuracy of the disclosure contained therein. Without Form N-5, the Commission would be unable to carry out the requirements to the Securities Act and Investment Company Act for registration of small business investment companies. The respondents to the collection of information are small business investment companies seeking to register under the Investment Company Act and to register their securities for sale to the public under the Securities Act. The estimated number of respondents is two and the proposed frequency of response is annually. The estimate of the total annual reporting burden of the collection of information is approximately 352 hours per respondent, for a total of 704 hours.

Providing the information on Form N-5 is mandatory. Responses will not be kept confidential.

Form N-8A—Notification of Registration of Investment Companies

Form N-8A is the form that investment companies file to notify the Commission of the existence of active investment companies. After an investment company has filed its notification of registration under section 8(a) of the Investment Company Act, the company is then subject to the provisions of the Act which govern certain aspects of its organization and activities, such as the composition of its board of directors and the issuance of senior securities. Form N-8A requires an investment company to provide its name, state of organization, form of organization, classification, if it is a management company, the name and address of each investment adviser of the investment company, the current value of its total assets and certain other information readily available to the investment company. If the investment company is filing simultaneously its notification of registration and registration statement, Form N-8A requires only that the registrant file the cover page (giving its name, address and agent for service of process) and sign the form in order to effect registration.

The Commission uses the information provided in the notification on Form N-8A to determine the existence of active investment companies and to enable the Commission to administer the provisions of the 1940 Act with respect to those companies. Each year approximately 266 investment companies file a notification on Form N-8A, which is required to be filed only once by an investment company. The Commission estimates that preparing Form N-8A requires an investment company to spend approximately one hour so that the total burden of preparing Form N-8A for all affected investment companies is 266 hours.

The collection of information on Form N-8A is mandatory. The information provided on Form N-8A is not kept confidential.

Rule 17f-5—Custody of Investment Company Assets Outside the United States

Rule 17f-5 under the Investment Company Act permits registered management investment companies ("funds") to maintain their assets in custody arrangements outside the United States. The Commission adopted comprehensive amendments to rule

17f-5 on May 12, 1997.¹ The amendments became effective on June 16, 1997, but funds are not yet required to comply with most of the amendments.² Funds may comply with either prior rule 17f-5 or with the rule as amended in 1997 until February 1, 1999.³

Before rule 17f-5 was amended in 1997, the rule permitted funds to maintain their assets with certain foreign banks and securities depositories subject to certain conditions. The fund's board of directors had to approve (i) each country where fund assets were maintained, (ii) each foreign bank or depository that held the assets, and (iii) a written contract that had to contain specified provisions governing each foreign custody arrangement. Notes to the rule listed factors that the board was required to consider when investing assets in foreign countries and placing them with foreign custodians. The rule also required the fund board to monitor each foreign custody arrangement and to approve it at least annually.

As amended in 1997, rule 17f-5 permits a fund's board of directors to play a more traditional oversight role by delegating its responsibilities for foreign custody arrangements to a U.S. or foreign bank custodian or the fund's investment adviser or officers (collectively with the board, the "foreign custody manager"). The board can delegate different responsibilities to different persons. The board must find that it is reasonable to rely on each delegate it selects. The delegate must agree to exercise reasonable care, prudence, and diligence or to adhere to a higher standard of care in performing the delegated responsibilities. The board must require the delegate to provide, at times that the board deems reasonable and appropriate, written reports that notify the board when the fund's assets are placed with a particular foreign custodian and when any material change occurs in the fund's foreign custody arrangements.

When the foreign custody manager selects a particular "eligible foreign

¹ See Custody of Investment Company Assets Outside the United States, Investment Company Act Release No. 22658 (May 12, 1997) [62 FR 26923 (May 16, 1997)].

² The original compliance date for the 1997 amendments was June 16, 1998. The Commission has extended this compliance date for most of the amendments to February 1, 1999. The extension does not apply to the amended definitions of "eligible foreign custodian," "qualified foreign bank," and "U.S. bank," for which the compliance date remains June 16, 1998.

³ Certain amended definitions would apply under either version of the rule. See *supra* note 2.

custodian,"⁴ the foreign custody manager must determine that, based on its consideration of specified factors, the fund's assets will be subject to reasonable care if maintained with that custodian. The foreign custody manager also must determine that, based on the same factors, the written contract that governs each custody arrangement with the foreign custodian (or the set of depository rules or practices or the combination of a contract and rules or practices) will provide reasonable care for fund assets. The written contract (or equivalent rules or practices) must contain either certain specified provisions, or other provisions that provide the same or a greater level of care for fund assets. In addition, the foreign custody manager must establish a system to monitor the contract that governs each custody arrangement and the appropriateness of maintaining the fund's assets with a particular foreign custodian.

The collections of information required under rule 17f-5 are intended to further the protection of fund assets held in foreign custody arrangements permitted under the rule, which are more flexible than the foreign custody arrangements permitted under the Act. The requirement that the fund board determine that it is reasonable to rely on each delegate is intended to ensure that the board considers carefully each delegate's qualifications to perform its responsibilities. The requirement that the delegate provide written reports to the board is intended to ensure that the delegate notifies the board of important developments concerning custody arrangements so that the board may exercise effective oversight.

The requirement that each custody arrangement be governed by a written contract (or equivalent rules or practices) that contains specified provisions or other provisions that provide an equivalent level of care is intended to ensure that each arrangement is subject to certain minimal contractual safeguards.⁵ The requirement that the foreign custody manager establish a monitoring system

is intended to ensure that the foreign custody manager periodically reviews each custody arrangement and takes any action necessary or appropriate when changes in circumstances could threaten fund assets.

The Commission estimates that during the first year when funds are required to comply with the 1997 amendments to rule 17f-5, the boards of directors of approximately 3,690 portfolios that use foreign custody arrangements will delegate responsibility for their arrangements to approximately 15 U.S. bank custodians and approximately 650 investment advisers.⁶

The Commission estimates that the board of each portfolio will expend approximately 2 burden hours during the first year in determining that the board may reasonably rely on each of two delegates to evaluate the portfolio's foreign custody arrangements, for a total of 7,380 burden hours for all 3,690 portfolios. The Commission estimates that each U.S. custodian bank will expend approximately (i) 400 burden hours in determining for some 250 portfolios that a written contract containing required terms governs each foreign custody arrangement and that each contract will provide reasonable care for fund assets; (ii) 96 burden hours in establishing a system for monitoring custody arrangements and contracts; and (iii) 400 burden hours in providing periodic reports to fund boards; for a total of 13,440 burden hours for all 15 U.S. bank custodians. The Commission estimates that each investment adviser will expend approximately (i) 10 burden hours in determining for some 6 portfolios that a written contract containing required terms governs each foreign custody arrangement and that each contract will provide reasonable care for fund assets; (ii) 24 burden hours in establishing a system for monitoring certain arrangements and contracts; and (iii) 10 burden hours in providing periodic reports to fund boards; for a total of 28,600 burden hours for all 650 investment advisers.

The total annual burden of the rule's paperwork requirements for all

portfolios, U.S. bank custodians, and investment advisers therefore is estimated to be 49,420 hours. This estimate represents an increase of 40,680 hours from the prior estimate of 8,740 hours. Approximately 30,680 hours of the increase are 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. Approximately 10,000 hours of the increase are attributable to the adoption of rule amendments not fully addressed in the prior estimate.

Compliance with the collection of information requirements of the rule is necessary to obtain the benefit of relying on the rule.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, New Executive Officer Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: August 25, 1998.

Jonathan G. Katz,
Secretary.

[FR Doc. 98-23612 Filed 9-1-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23414; File No. 812-11158]

Life & Annuity Trust, et al.; Notice of Application

August 26, 1998.

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

ACTION: Notice of Application for an order pursuant to Section 6(c) of the Investment Company Act of 1940 (the "1940 Act").

⁴ "Eligible foreign custodians" under the rule generally include foreign banks and trust companies, national or transnational securities depositories, and majority-owned subsidiaries of U.S. banks or bank holding companies. The compliance date for this amended definition of eligible foreign custodian remains June 16, 1998.

⁵ The requirement that the foreign custody manager determine that the custody contract (or equivalent rules or practices) will provide reasonable care for fund assets is intended to ensure that the foreign custody manager weighs the adequacy of contractual obligations when it determines whether the foreign custodian will maintain the fund's assets with reasonable care.

⁶ The Commission estimates that these 3,690 portfolios are divided among approximately 1,327 registered funds within approximately 650 fund complexes that may share the same board of directors, U.S. bank custodian, investment adviser, or all these entities. The board of directors and its foreign custody delegates for a fund complex could therefore meet rule 17f-5's requirements by making similar arrangements for an average of 6 portfolios at the same time. The Commission also estimates that each portfolio has foreign custody arrangements with an average of 10 foreign custodians (i.e., 1 bank and 1 securities depository in each of 5 countries).