addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

For further details with respect to this action, the license amendment request is available for inspection at the NRC's Public Document Room, 2120 L Street N.W., Washington, D.C. 20555.

FOR FURTHER INFORMATION CONTACT: Dominick A. Orlando, Low-Level Waste and Decommissioning Projects Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington DC 20555–0001, telephone (301) 415–6749.

Dated at Rockville, Maryland, this 4th day of December, 1998.

For the Nuclear Regulatory Commission.

John W.N. Hickey,

Chief, Low-Level Waste and Decommissioning Projects Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 98–32813 Filed 12–9–98; 8:45 am]

BILLING CODE 7590–01–P

RAILROAD RETIREMENT BOARD

Notice of Public Meeting; Sunshine Act Meeting

Notice is hereby given that the Railroad Retirement Board will hold a meeting on December 16, 1998, 9:00 a.m., at the Board's meeting room on the 8th floor of its headquarters building, 844 North Rush Street, Chicago, Illinois 60611. The agenda for this meeting follows:

(1) Semiannual Report on the Status of Consolidation as Required by Office of Management and Budget Bulletin 96–02, Consolidation of Agency Data Centers.

(2) Report on the White House Conference on Social Security.

(3) Surviving Divorced Spouses.

(4) Year 2000 Issues.

The entire meeting will be open to the public. The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312–751–4920.

Dated: December 7, 1998.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 98–32944 Filed 12–8–98; 11:00 am]

BILLING CODE 7905–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–23587; File No. 812–11338]

UNUM Life Insurance Company of America, et al.; Notice of Application

December 3, 1998.

AGENCY: The Securities and Exchange Commission (''Commission'').

ACTION: Notice of application for an order pursuant to Section 26(b) of the Investment Company Act of 1940 (the ''1940 Act'') approving certain substitutions of securities.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered unit investment trusts to substitute shares of Fidelity Variable Insurance Products Fund II Asset Manager Portfolio and Fidelity Variable Insurance Products Fund Growth Portfolio for shares of Calvert Social Balanced Portfolio of Calvert Variable Series and shares of American Century VP Capital Appreciation of American Century Variable Portfolios Inc. currently held by those unit investment trusts.

APPLICANTS: UNUM Life Insurance Company of America (''UNUM''), UNUM's VA–I Separate Account (the ''UNUM Account''), First UNUM Life Insurance Company (''First UNUM''), and First UNUM's VA–I Separate Account (the ''First UNUM Account'') (the UNUM Account, together with the First UNUM Account, the ''Accounts'').

FILING DATE: The application was filed on October 2, 1998.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on December 28, 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 Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Applicants, c/o Rosemary Moore, Esq., UNUM Life Insurance Company of America, 2211 Congress Street, Portland, Maine 04122. Copies to William R. Galeota, Esq., Shea & Gardner, 1800 Massachusetts Avenue, NW., Washington, DC 20036 and Kimberly J. Smith, Esq., Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Avenue, NW., Washington, DC 20004–2415.

FOR FURTHER INFORMATION CONTACT: Ethan D. Corey, Senior Counsel, at (202) 942–0675, or Kevin M. Kirchoff, Branch Chief, at (202) 942–0672, Office of Insurance Products, Division of Investment Management.

SUPPLEMENTARY INFORMATION: The following is a summary of the application; the complete application may be obtained for a fee from the Public Reference Branch of the Commission, 450 5th Street, NW., Washington, DC 20549 (tel. (202) 942–8090).

Applicants' Representations

1. UNUM is a life insurance company originally chartered under Maine law in 1966. UNUM is a subsidiary of UNUM Holding Company and its wholly-owned parent company, UNUM Corporation. UNUM is the depositor and sponsor of the UNUM Account.

2. First UNUM is stock life insurance company organized under New York law in 1978. First UNUM is a subsidiary of UNUM Holding Company and its wholly-owned parent company, UNUM Corporation. First UNUM is the depositor and sponsor of the First UNUM Account.

3. On October 1, 1996, UNUM completed the sale of its tax-sheltered annuity business to the Lincoln National Life Insurance Company (''Lincoln National''), pursuant to an acquisition agreement with Lincoln National (the ''Acquisition Agreement''). Under the Acquisition Agreement, Lincoln National assumed UNUM's obligations under contracts previously issued through the UNUM Account, and Lincoln Life & Annuity Company of New York (''LLANY'') assumed First UNUM's obligations under contracts previously issued through the First UNUM Account, other than in each case those obligations under contracts held by contractowners and/or participants who neither consented nor were

deemed to have consented to the assumption (''Unassumed Contracts'').

4. Separate account assets relating to the Unassumed Contracts continue to be maintained in the UNUM Account or the First UNUM Account, respectively. Unassumed Contracts are administered by Lincoln National (if issued by UNUM) or LLANY (if issued by First UNUM).

5. The Unassumed Contracts are group flexible premium deferred variable annuity contracts issued by UNUM (for the UNUM Account) or First UNUM (for the First UNUM Account). Currently, transfers of cash value can be made in unlimited amounts each contract year among and between the sub-accounts available as investment options under the Contracts without the imposition of a transfer charge. All of the Unassumed Contracts reserve to UNUM or First UNUM, as applicable, the right to restrict transfer privileges.

6. The UNUM Account is registered under the 1940 Act as a unit investment trust (File No. 811–5803). The UNUM Account currently consists of nine sub-accounts. Each sub-account currently invests its assets exclusively in shares of the following series of the following open-end management investment companies (''Portfolios''): Dreyfus Stock Index Fund; Calvert Social Balanced Portfolio of Calvert Variable Series; Small Cap Portfolio of Dreyfus Variable Investment Fund; Fidelity Variable Money Market Portfolio; Fidelity Variable Insurance Products Fund II (''VIP II'') Asset Manager Portfolio, American Century VP Capital Appreciation and American Century VP Balanced of American Century Variable Portfolios Inc.; and International Stock Portfolio of T. Rowe Price International Series.

7. The First UNUM Account is registered under the 1940 Act as a unit investment trust (File No. 811–6455). The First UNUM Account currently consists of nine sub-accounts. Since inception, each sub-account of the First UNUM Account has invested in the same Portfolios as those available under the UNUM Account.

8. The investment objective of the Calvert Social Balanced Portfolio, a non-diversified fund, is to achieve a total return greater than the rate of inflation through an actively managed, non-diversified portfolio of common and preferred stocks, bonds, and money market instruments which offer income and capital growth opportunity and which satisfy the social concern criteria established for the Portfolio. The Portfolio invests in enterprises that make a significant contribution to society through their products and services and through the way they do business. The Calvert Social Balanced Portfolio's investment objective is not fundamental and may be changed at any time with 60 days notice to shareholders. The Calvert Asset Management Company, Inc. serves as the Fund's investment adviser.

9. The investment objective of the VIP II Asset Manager Portfolio, a diversified fund, is to achieve high total return with reduced risk over the long term. It seeks to achieve this objective by diversifying its investments across stocks, bonds, and short-term and money market instruments, both in the U.S. and abroad. It may invest in all types of equity securities and short-term and money market instruments, and all types of fixed income securities with maturities greater than one year. Fidelity Management & Research Company (''FMR'') is the manager of the VIP II Asset Manager Portfolio.

10. The investment objective of American Century VP Capital Appreciation is to seek capital growth. It seeks to achieve its investment objective by investing in common stocks (including securities and convertibles into common stocks and other equity equivalents) and other securities that meet certain fundamental and technical standards of selection and have, in the opinion of its investment manager, better than average potential for appreciation. It seeks to stay fully invested in such securities, regardless of the movement of stock prices generally. American Century Investment Management, Inc. manages American Century VP Capital Appreciation.

11. The investment objective of the VIP Growth Portfolio is capital appreciation. It pursues its objective by investing primarily in common stocks. It is not restricted to any one type of security and may pursue capital appreciation through the purchase of bonds and preferred stocks. FMR is the manager of the VIP Growth Portfolio.

12. Applicants assert that the performance of the VIP II Asset Manager Portfolio and the VIP Growth Portfolio (collectively, the ''Substitute Funds'') has been better than the performance of the Calvert Social Balanced Portfolio and the American Century VP Capital Appreciation (collectively, the ''Replaced Funds'') on a historical basis. Applicants also assert that the expenses of the Substitute Funds have been lower than those of the Replaced Funds.

13. The following chart shows the standard average annualized total returns for the Replaced Funds for the past two years as well as the total return for each Replaced Funds since its date of inception.

Replaced funds	Standard total return		
	Inception of portfolio through 12/31/97 (percent)	1997 (percent)	1996 (percent)
Calvert Social Balanced: (Inception date: September 27, 1982)	11.20	20.08	12.62
American Century VP Capital: Appreciation (Inception date: November 20, 1987)	4.34	−3.26	−4.32

14. The chart below provides the average annual total returns for the Substitute Funds for the past two years as well as standard total return since date of inception. Each Substitute Fund has outperformed the corresponding Replaced Fund during each period shown.

Substitute funds	Total return of substitute portfolios		
	Inception of fund through 12/31/97 (percent)	1997 (percent)	1996 (percent)
VIP II Asset Manager Portfolio:			
(Inception date: September 6, 1989)	12.73	20.65	14.60
VIP Growth Portfolio:			
(Inception date: October 9, 1986)	17.55	23.48	14.71

15. The chart below shows the approximate size and expense ratios for each of the Replaced Funds for the past two years. Expense ratios include management fees and operating expenses. Each Fund currently pays a monthly management fee based on its average daily net assets at the following annual rates: Calvert Social Balanced Portfolio, 0.70% (plus or minus a fee adjustment of 0.05% to 0.15%) and American Century VP Capital Appreciation, 1.00%. As of October 1, 1998, the management fee for the American Century VP Capital Appreciation will be: 1.00% of the first $500 million, 0.95% of the next $500 million, and 0.90% of the excess over $500 million.

Replaced funds	Net assets at December 31 (in thousands)	Expense ratio (percent)
Calvert Social Balanced:		
1996	$161,473	0.81
1997	227,834	0.80
June 30, 1998 (inception date: September 27, 1982)	275,385	0.77
American Century VP Capital Appreciation:		
1996	$1,313,865	1.00
1997	593,698	1.00
June 30, 1998 (inception date: November 20, 1987)	515,262	1.00

16. The next chart provides the approximate size and expense ratios for each of the Substitute Funds for the past two and one-half years. Expense ratios include management fees and operating expenses. Each Substitute Fund currently pays a monthly management fee. The management fee for each Substitute Fund is calculated by adding a group fee rate to an individual fund fee rate, multiplying the result by the Fund's monthly average net assets, and dividing by twelve. The group fee rate is based on the average net assets of all the mutual funds advised by FMR, and cannot rise above 0.52%. For December 1997, the group fee rate for each of the VIP II Asset Manager Portfolio and the VIP Growth Portfolio was 0.29%. The individual fund fee rate for the VIP II Asset Manager Portfolio is 0.25% and for the VIP Growth Portfolio is 0.30%. The management fee for each Substitute Fund for the fiscal year ended December 31, 1997 was as follows: VIP II Asset Manager Portfolio—0.55%; and VIP Growth Portfolio—0.60%. Each Substitute Fund has lower expense ratios, and is significantly larger in size than the corresponding Replaced Fund for the periods shown.

Substitute funds	Net assets at December 31 (in thousands)	Expense ratio [1] (percent)
VIP II Asset Manager Portfolio:		
1996	$3,641,194	0.74
1997	4,399,948	0.65
June 30, 1998 (inception date: September 6, 1982)	4,965,445	0.65
VIP Growth Portfolio:		
1996	$6,086,424	0.69
1997	7,729,147	0.69
June 30, 1998 (inception date: October 9, 1986)	9,398,758	0.69

[1] FMR, the VIP II Asset Manager Portfolio or the VIP Growth Portfolio has entered into varying arrangements with third parties who either paid or reduced a portion of the Funds' expenses. With these arrangements, the VIP II Asset Manager Portfolio's expense ratio for 1996 and 1997 was 0.73% and 0.64%, respectively, and the VIP Growth Portfolio's expense ratio for each of the 1996 and 1997 was 0.67%.

17. The charts below show a comparison of the Replaced Funds' and the Substitute Funds' total return, standard deviation and expense ratios for the three years ended June 20, 1998.

Replaced funds	3-year total return (percent)	3-year standard deviation (percent)	Expense ratio for 3 years ending 6/30/98 (percent)
Calvert Social Balanced	16.7	14.9	0.77
American Century VP Capital Appreciation	−0.4	20.3	1.00

Substitute Funds	3-year total return (percent)	3-year standard deviation (percent)	Expense ratio for 3 years ending 6/30/98 (percent)
VIP II Asset Manager Portfolio	17.4	7.7	0.65
VIP Growth Portfolio	21.5	14.4	0.69

18. The Calvert Social Balanced Portfolio is restricted in the investments it may make by its social concern criteria. While the VIP II Asset Manager Portfolio does not duplicate these criteria, the Applicants assert that the VIP II Asset Manager Portfolio offers an investment program sufficiently similar to that of the Calvert Social Balanced Portfolio so that Unassumed Contract Owners will be able to pursue the same long-term investment objectives (albeit without social criteria) through the VIP II Asset Manager Portfolio, with lower fees and expenses and lower volatility.

19. The Calvert Social Balanced Portfolio's investment objective (total return above the rate of inflation) and the VIP II Asset Manager Portfolio's investment objective (high total return with reduced risk over the long-term) are substantially similar. While the policies that they follow to achieve their objectives are not identical, they are both domestic hybrid funds that invest in the same types of instruments. Applicants assert that an investor in the Calvert Social Balanced Portfolio is attempting to achieve the same long term goals as those sought by the VIP II Asset Manager Portfolio.

20. The investment objectives of the American Century VP Capital Appreciation (capital growth) and the VIP Growth Portfolio (capital appreciation) are substantially similar. While each of these Funds seeks to achieve its objective through somewhat different investment strategies, Applicants assert that an investor in the American Century VP Capital Appreciation is attempting to achieve the same long-term goals as those sought by the VIP Growth Portfolio, and through the same type of investments (equity securities).

21. As part of an overall business plan of Lincoln National and LLANY to make the Unassumed Contracts more competitive and more efficient to administer and oversee, Lincoln National and LLANY have proposed to replace the Replaced Funds with the Substitute Funds. The proposed substitutions are consistent with this business plan, involve Portfolios with compatible investment objectives, and after the substitution, Unassumed Contracts will be invested in Portfolios whose performance has been better on a historical basis.

22. UNUM and First UNUM have concurred with the determination by Lincoln National and LLANY that the Replaced Funds are good candidates for substitution. Applicants propose that UNUM and First UNUM replace: (a) shares of the Calvert Social Balanced Portfolio with shares of the VIP II Asset Manager Portfolio; and (b) shares of the American Century VP Capital Appreciation with shares of the VIP Growth Portfolio (the ''Proposed Substitution''). Applicants propose to have UNUM and First UNUM redeem shares of each Removed Fund in cash and purchase with the proceeds shares of the Substitute Fund identified above.

23. All owners and prospective owners of the Unassumed Contracts will be notified of UNUM's and First UNUM's intention to take the necessary actions, including seeking the requested order, to substitute portfolios. The supplements will advise owners and prospective owners that they will be unable to allocate net purchase payments to, or transfer cash values to, the sub-accounts of the Accounts corresponding to each of the Replaced Funds after April 30, 1999, and that on the date of the proposed substitution (on or about April 30, 1999, after the relief requested has been obtained and all necessary systems support changes have been made), the Substitute Funds will replace the Replaced Funds as the underlying investments for such sub-accounts. In addition, the supplements will apprise owners and prospective owners that neither UNUM nor First UNUM will exercise any rights reserved by it under any of the Unassumed Contracts to impose restrictions or fees on transfers until at least thirty days after the proposed substitutions.

24. At least sixty days before the date of the proposed substitutions, affected owners will also be provided with a prospectus for each Substitute Fund which includes complete current information concerning the Substitute Funds. Thus, any owner affected by the substitutions will have received current prospectus disclosure for each Substitute Fund at least 60 days or more in advance of the proposed substitutions.

25. The proposed substitutions will take place at relative net asset value with no change in the amount of any Unassumed Contract owner's cash value or death benefit or in the dollar value of his or her investment in any of the Accounts. Unassumed Contract owners will not incur any additional fees or charges as a result of the proposed substitutions nor will their rights or UNUM's and First UNUM's obligations under the Unassumed Contracts be altered in any way. All expenses incurred in connection with the proposed substitutions, including legal, accounting and other fees and expenses, will be paid by UNUM and First UNUM or Lincoln National and LLANY. In addition, the proposed substitutions will not impose any tax liability on Unassumed Contract owners. The proposed substitutions will not cause the Unassumed Contract fees and charges currently paid by existing Unassumed Contract owners to be greater after the proposed substitutions than before the proposed substitutions. Neither UNUM nor First UNUM currently impose any restrictions or fees on transfers under the Unassumed Contracts, and neither will exercise any right it may have under the Unassumed Contracts to impose restrictions on transfers under any of the Unassumed Contracts for a period of at least thirty days following the proposed substitutions.

Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act requires the depositor of a registered unit investment trust holding the securities of a single issuer to obtain Commission approval before substituting the securities held by the trust. Specifically, Section 26(b) states:

It shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution. The Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title.

2. Applicants state that the Proposed Substitution appears to involve a substitution of securities within the meaning of Section 26(b) of the 1940 Act and request that the Commission issue an order pursuant to Section 26(b) of the 1940 Act approving the Proposed Substitution.

3. The Contracts all provide to UNUM or First UNUM the right, subject to Commission approval, to substitute shared of another open-end management investment company for shares of an open-end management investment company held by a subaccount of the relevant Account. Applicants assert that the prospectuses for the Unassumed Contracts contain appropriate disclosure of this right.

4. Applicants assert that, although there are differences in the objectives and policies of the Replaced Funds and the Substitute Funds, their objectives and policies are sufficiently consistent to assure that, following the Proposed Substitution, the achievement of the core investment goals of the affected owners invested in the Replaced Funds will not be frustrated.

5. Applicants assert that the performance of the Calvert Social Balanced Portfolio was lower than that of a comparable securities index that had lower volatility (or risk), and was lower than the median of its peer group (domestic hybrid funds) over the three year period ending June 30, 1998. Applicants assert that the VIP II Asset Manager Portfolio has, however, performed better than its comparable securities index and ranks in the top decile of a similar peer group (large blend equities) over the three-year period ending June 30, 1998.

6. Applicants assert that the performance of American Century VP Capital Appreciation was lower than that of a comparable securities index that had lower volatility (or risk), and was lower than the median of its peer group (mid-cap growth equities) over the three-year period ending June 30, 1998. Applicants assert that while the VIP Growth Portfolio performed below the comparable securities index and the median of its peer group (large cap equities) over the same time period, its performance was better than that of the comparable securities index and the median of its peer group for the one and five year periods ending June 30, 1998, and has substantially outperformed American Century VP Capital Appreciation in 1996, 1997 and since the inception of the VIP Growth Portfolio.

7. Each Substitute Fund has performed favorably over the past two years in comparison to the Replaced Fund. While past performance is not necessarily indicative of future performance, applicants assert that the Proposed Substitution is appropriate in light of the performance of the Replaced Funds.

8. Applicants assert that the Proposed Substitution would effectively consolidate the UNUM and First UNUM assets of each Substitute Fund with those of the corresponding Replaced Fund, with the goal of each Substitute Fund having lower future expense ratios than the past expense ratios of the Replaced Fund. The VIP II Asset Manager Portfolio is a larger Fund and has a lower expense ratio than the Calvert Social Balanced Portfolio. Moreover, the Calvert Social Balanced Portfolio is a small Fund, which has not grown significantly, and, Applicants assert, likely does not have prospects of significant growth. Based on these trends, the Applicants believe that the VIP II Asset Manager Portfolio is likelier to achieve economics of scale in the near and long term.

9. The VIP Growth Portfolio is a larger fund and has a lower expense ratio than American Century VP Capital Appreciation. Moreover, Applicants assert that American Century VP Capital Appreciation has diminished in size over the past two and one-half years, while the VIP Growth Portfolio has gained in size over the past two and one-half years. Based on these trends, the Applicants believe that the VIP Growth Portfolio is likelier to achieve economies of scale in the near and long term. With the addition of the UNUM and First UNUM assets, the size of each Substitute Fund is expected to further increase.

Conclusion

Applicants assert that, for the reasons summarized above, the Proposed Substitution is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–32826 Filed 12–9–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–40737; File No. SR–CBOE–98–46]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Evaluation of Trading Crowd Performance

December 2, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on October 23, 1998, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. 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 CBOE is proposing to modify CBOE Rule 8.60, *Evaluation of Trading Crowd Performance,* to provide limited remedial actions for members, individually or collectively as trading crowds, who have failed to meet minimum performance standards. The proposed rule also modifies procedures relating to the administration and enforcement of the Rule.

The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

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

In its filing with the Commission, CBOE 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

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.