

recapture most of the operating margin that is lost by factoring in the instrument uncertainties in the determination of the LTOP setpoint. The net effect of using Code Case N-514 is that the setpoint will not change significantly with the next setpoint analysis. Therefore, the licensee proposed that in determining the setpoint for LTOP events for Ginna, the allowable pressure be determined using the safety margins developed in an alternate methodology in lieu of the safety margins required by 10 CFR part 50, Appendix G. The alternate methodology is consistent with the ASME Code Case N-514. The content of this Code Case had been incorporated into Appendix G of Section XI of the ASME Code and published in the 1993 Addenda to Section XI.

An exemption from 10 CFR 50.60 is required to use the alternate methodology for calculating the maximum allowable pressure for LTOP considerations. By application dated June 12, 1997, the licensee requested an exemption from 10 CFR 50.60 to allow it to utilize the alternate methodology of Code Case N-514 to compute its LTOP setpoints.

Environmental Impacts of the Proposed Action

Appendix G of the ASME Code requires that the P/T limits be calculated: (a) using a safety factor of two on the principal membrane (pressure) stresses, (b) assuming a flaw at the surface with a depth of one quarter ($\frac{1}{4}$) of the vessel wall thickness and a length of six (6) times its depth, and (c) using a conservative fracture toughness curve that is based on the lower bound of static, dynamic, and crack arrest fracture toughness tests on material similar to the Ginna reactor vessel material.

In determining the PORV setpoint for LTOP events, the licensee proposed the use of safety margins based on an alternate methodology consistent with the proposed ASME Code Case N-514 guidelines. ASME Code Case N-514 allows determination of the setpoint for LTOP events such that the maximum pressure in the vessel will not exceed 110% of the P/T limits of the existing ASME Appendix G. This results in a safety factor of 1.8 on the principal membrane stresses. All other factors, including assumed flaw size and fracture toughness, remain the same. Although this methodology would reduce the safety factor on the principal membrane stresses, use of the proposed criteria will provide adequate margins of safety to the reactor vessel during LTOP transients.

The change will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in the allowable individual or cumulative occupational radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does involve features located entirely within the restricted area as defined in 10 CFR Part 20. It does not affect nonradiological plant effluents and has no other environmental impact. Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement For the R. E. Ginna Nuclear Power Plant" dated December 1975.

Agencies and Persons Consulted

In accordance with its stated policy, on July 2, 1997, the staff consulted with the Mr. Jack Spath of the New York State Energy Research and Development Authority, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated June 12, 1997, which is available for public inspection at the Commission's Public Document Room,

which is located at The Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Rochester Public Library, 115 South Avenue, Rochester, New York.

Dated at Rockville, Maryland, this 23rd day of July 1997.

For the Nuclear Regulatory Commission.

Guy S. Vissing,

Senior Project Manager, Project Directorate I-1, Division of Reactor Projects I/II, Office of Nuclear Reactor Regulation.

[FR Doc. 97-19931 Filed 7-28-97; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

Sunshine Meeting

DATE: Weeks of July 28, August 4, 11, and 18, 1997.

PLACE: Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

STATUS: Public and Closed.

MATTERS TO BE CONSIDERED:

Week of July 28

There are no meetings scheduled for the week of July 28.

Week of August 4—Tentative

Monday, August 4

2:00 p.m. Briefing by International Programs (Closed—Ex. 1)

3:00 p.m. Briefing on Investigative Matters (Closed—Ex. 5 & 7)

Wednesday, August 6

9:30 a.m. Meeting with Northeast Nuclear on Millstone (Public Meeting) Contact: Bill Travers, 301-415-1200)

2:00 p.m. Briefing on Shutdown Risk Proposed Rule for Nuclear Power Plants (Public Meeting) (Contact: Tim Collins, 301-415-2897)

3:30 p.m. Affirmation Session (Public Meeting) if needed)

Thursday, August 7

9:30 a.m. Meeting with NRC Executive Council (Public Meeting) Contact: James L. Blaha, 301-415-1703)

Week of August 11—Tentative

There are no meetings scheduled for the week of August 11.

Week of August 18—Tentative

Friday, August 22

11:30 a.m. Affirmation Session (Public Meeting) (if needed)

Note: The schedule for Commission Meetings is subject to change on short notice.

To verify the status of meetings call (recording)—(301) 415-1292. Contact person for more information: Bill Hill (301) 415-1661.

The NRC Commission Meeting Schedule can be found on the Internet at: <http://www.nrc.gov/SECY/smj/schedule.htm>.

This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to it, please contact the Office of the Secretary, Attn: Operations Branch, Washington, DC 20555 (301-415-1661).

In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to wmh@nrc.gov or dkw@nrc.gov.

Dated: July 25, 1997.

William M. Hill, Jr.,

Secy Tracking Officer, Office of the Secretary.

[FR Doc. 97-20073 Filed 7-25-97; 2:31 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC-22758; 812-10626]

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Government Securities, Inc.; Notice of Application

July 22, 1997.

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

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

APPLICANTS: Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and Merrill Lynch Government Securities, Inc. ("GSI").

RELEVANT ACT SECTIONS: Order requested under section 12(d)(1)(I) for an exemption from section 12(d)(1), under section 6(c) for an exemption from section 14(a), and under section 17(b) for an exemption from section 17(a).

SUMMARY OF APPLICATION: Applicants request an order with respect to Structured Yield Product Exchangeable for Stock Trusts and future trusts that are substantially similar and for which Merrill Lynch will serve as a principal underwriter (the "Trusts") that would (a) permit other registered investment companies to own a greater percentage of the total outstanding voting stock (the "Securities") of any Trust than that permitted by section 12(d)(1), (b)

exempt the Trusts from the initial net worth requirements of section 14(a), and (c) permit the Trusts to purchase U.S. government securities from Merrill Lynch and/or GSI at the time of a Trust's initial issuance of Securities.

FILING DATES: The application was filed on April 21, 1997, and amended on July 18, 1997.

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 August 15, 1997, 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, World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281-1318.

FOR FURTHER INFORMATION CONTACT: Brian T. Hourihan, Senior Counsel, at (202) 942-05267, 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.

Applicants' Representations

1. Each Trust will be a limited-life, grantor trust registered under the Act as a non-diversified, closed-end management investment company. Merrill Lynch will serve as a principal underwriter (as defined in section 2(a)(29) of the Act) of the Securities issued to the public by each Trust.

2. Each Trust will, at the time of its issuance of Securities, (a) enter into one or more forward purchase contracts (the "Contracts") with a counterparty to purchase a formulaically-determined number of a specified equity security or securities (the "Shares") of one specified issuer,¹ and (b) in some cases, purchase certain U.S. Treasury securities ("Treasures"), which may

include interest-only or principal-only securities maturing at or prior to the Trust's termination. The Trusts will purchase the Contracts from counterparties that are not affiliated with either the relevant Trust or applicants. The investment objective of each Trust will be to provide to each holder of Securities ("Holder") (a) current cash distributions from the proceeds of any Treasures, and (b) participation in, or limited exposure to, changes in the market value of the underlying Shares.

3. In all cases, the Shares will trade in the secondary market and the issuer of the Shares will be a reporting company under the Securities Exchange Act of 1934. The number of Shares, or the value thereof, that will be delivered to a Trust pursuant to the Contracts may be fixed (e.g., one Share per Security issued) or may be determined pursuant to a formula, the product of which will vary with the price of the Shares. A formula generally will result in each Holder of Securities receiving fewer Shares as the market value of such Shares increases, and more Shares as their market value decreases.² At the termination of each Trust, each Holder will receive the number of Shares per Security, or the value thereof, as determined by the terms of the Contracts, that is equal to the Holder's *pro rata* interest in the Shares or amount received by the Trust under the Contracts.³

4. Securities issued by the Trusts will be listed on a national securities exchange or trade on the National Association of Securities Dealers Automated Quotation System. Thus, the Securities will be "national market system" securities subject to public price quotation and trade reporting requirements. After the Securities are issued, the trading price of the Securities is expected to vary from time to time based primarily upon the price of the underlying Shares, interest rates, and other factors affecting conditions and prices in the debt and equity markets. Merrill Lynch currently

² A formula is likely to limit the Holder's participation in any appreciation of the underlying Shares, and it may, in some cases, limit the Holder's exposure to any depreciation in the underlying Shares. It is anticipated that the Holders will receive a yield greater than the ordinary dividend yield on the Shares at the time of the issuance of the Securities, which is intended to compensate Holders for the limit on the Holders' participation in any appreciation of the underlying Shares. In some cases, there may be an upper limit on the value of the Shares that a Holder will ultimately receive. (p.6)

³ The contracts may provide for an option on the part of a counterparty to deliver Shares, cash, or a combination of Shares and cash to the Trust at the termination of each Trust. (p.7, n.5)

¹ No Trust will hold Contracts relating to the Shares of more than one issuer. (p.5, n.3)