

the document to which the comment applies.

Dated at Rockville, Maryland, this 11th day of October, 2001.

For the Nuclear Regulatory Commission.

Thomas H. Essig,

Chief, Environmental and Performance Assessment Branch, Division of Waste Management, NMSS.

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NUCLEAR REGULATORY COMMISSION

Radionuclide Transport in the Environment: Draft Research Program Plan

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of availability and request for comments.

Background: The U.S. Nuclear Regulatory Commission's (NRC) Office of Nuclear Regulatory Research is preparing a research program plan on radionuclide transport in the environment and is seeking public comments on the plan. The radionuclide transport research program is intended to provide data and computational tools to assess the effect on public health and safety and the environment from nuclear materials that may enter the environment from NRC-licensed activities. The technical issues examined include source-term characterization; the effectiveness of engineered and natural containment systems surrounding the radioactive material; multi-phase flow of water, including episodic infiltration, into and through the environment; the transport of radioactive material through the geosphere; the transport of radioactive material through the biosphere; and estimating exposures of members of the public to radiation from these materials. Results from the radionuclide transport research program are intended to be generically applicable to NRC licensing activities including the decommissioning of facilities, disposal of uranium mill tailings, low-level radioactive waste disposal, and high-level radioactive waste disposal. This plan will present the basis for the radionuclide transport research program, describe the key elements of the program, describe how research priorities are set, and present a list of proposed research projects.

Solicitation of Comments: The NRC seeks comments on the plan and is especially interested in comments on the research topics proposed in Chapter

5. Suggestions for new research not specified in Chapter 5 are welcome.

Comment Period: The NRC will consider all written comments received before November 30, 2001. Comments received after November 30, 2001, will be considered if time permits. Comments should be addressed to the contact listed below.

Availability: An electronic version of the plan is available in Adobe Portable Document Format at <http://www.nrc.gov/RES/nrc.html> and can be read with Adobe Acrobat Reader software, available at no cost from <http://www.adobe.com>. Hard and electronic copies are available from the contact listed below.

CONTACT: Dr. John D. Randall, Mail Stop T9F31, US Nuclear Regulatory Commission, 11545 Rockville Pike, Rockville, MD 20852, telephone (301) 415-6192, e-mail jdr@nrc.gov.

Dated at Rockville, Maryland, this 9th day of October 2001.

For the Nuclear Regulatory Commission.

Cheryl A. Trottier,

Chief, Radiation Protection, Environmental Risk and Waste Management Branch, Division of Systems Analysis and Regulatory Effectiveness, Office of Nuclear Regulatory Research.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25209; 812-12594]

American International Group, et al.; Notice of Application

October 12, 2001.

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

ACTION: Notice of an application under section 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

Summary of Application: Applicants request an order to permit certain series of registered open-end management investment companies to acquire all of the assets and liabilities of certain corresponding series of another registered open-end management investment company. Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

Applicants: American International Group, Inc. ("AIG"), North American Funds ("NA Trust"), SunAmerica Equity Funds ("Equity Trust"), SunAmerica Income Funds ("Income Trust"), SunAmerica Money Market

Funds, Inc. ("Money Market Corp."), SunAmerica Style Select Series, Inc. ("Style Select Series"), SunAmerica Strategic Investment Series, Inc. ("Strategic Investment Series"), The Variable Annuity Life Insurance Company ("VALIC"), American General Corporation ("American General"), and Sun America Asset Management Corp. (SAAMCo).

Filing Dates: The application was filed on August 9, 2001. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

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 Commission's Secretary 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 November 6, 2001, 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549-0609; Applicants, c/o Margery K. Neale, Esq., Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022-6069.

FOR FURTHER INFORMATION CONTACT: Lidian Pereira, Senior Counsel, at (202) 942-0524 or Mary Kay Frech, Branch Chief, at (202) 952-0564 (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 at the Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. NA Trust, a business trust organized under the laws of the Commonwealth of Massachusetts, is registered under the Act as an open-end management investment company. NA Trust offers twenty-four series ("NA Funds"), seventeen of which are involved in the proposed transactions for which exemptive relief is sought,

and are collectively referred to as the "Acquired Funds."¹

2. Equity Trust and Income Trust, each a business trust organized under the laws of the Commonwealth of Massachusetts, are registered under the Act as open-end management investment companies. Equity Trust will have seven series at the time of the proposed transactions, three of which are involved in the proposed transactions. Income Trust will have six series at the time of the proposed transactions, four of which are involved in the proposed transactions. Money Market Corp., Style Select Series and Strategic Investment Series, each a corporation organized under the laws of the State of Maryland, are registered under the Act as open-end management investment companies. Money Market Corp. will have two series at the time of the proposed transactions, one of which is involved in the proposed transactions. Style Select Series will have thirteen series at the time of the proposed transactions, two of which are involved in the proposed transactions. Strategic Investment Series will have seven series at the time of the proposed transactions, five of which are involved in the proposed transactions. The series of Equity Trust, Income Trust, Money Market Corp., Style Select Series, and Strategic Investment Series are collectively referred to as the "SunAmerica Funds." The fifteen SunAmerica Funds involved in the proposed transactions are collectively referred to as the "Acquiring Funds" (the Acquiring Funds and the Acquired Funds together, the "Funds").² Nine of

the Acquiring Funds are newly organized series which were created to facilitate the proposed transactions ("Shells").³

3. American General is a general business corporation and successor to American General Insurance Company, an insurance company incorporated under the laws of the State of Texas. American General Asset Management Corp. ("AGAM"), an investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act"), serves as the investment adviser to the NA Trust, and is wholly owned subsidiary of American General. American General's employee pension plan, the American General Retirement Plan ("Affiliated Plan") owns 5% (and in some cases 25%) or more of the outstanding voting securities of certain Acquired Funds. The Affiliated Plan holds the securities in a fiduciary capacity and does not have a direct economic interest in the shares. VALIC, an investment adviser registered under the Advisers Act, is a stock life insurance company that is an indirect wholly owned subsidiary of American General. VALIC owns 5% (and in some cases 25%) or more of the outstanding voting securities of twelve of the Acquired Funds. On August 29, 2001, AIG acquired American General and, as a result, American General, VALIC and AGAM became direct or indirect wholly owned subsidiaries of AIG.

4. SAAMCo, a corporation organized under the laws of the State of Delaware, is an indirect wholly owned subsidiary of AIG. SAAMCo is an investment adviser registered under the Advisers Act and serves as the investment adviser to the SunAmerica Funds. SAAMCo will own all of the outstanding voting securities of the Shells.

5. On August 2, 2001 and August 23, 2001, the board of trustees of the NA Trust (the "NA Board") and the board of directors/trustees of the SunAmerica Funds (together with the NA Board, the "Boards"), respectively, including in each case a majority of the directors/trustees who are not "interested persons," as defined in section 2(a)(19) of the Act (the "Independent Trustees"),

approved agreements and plans of reorganization (each, a "Plan" and collectively, the "Plans") for the Funds. Under the Plans, each Acquiring Fund will acquire all of the assets and liabilities of the corresponding Acquired Fund in exchange for shares of designated classes of the Acquiring Fund (each, a "Reorganization" and collectively, the "Reorganizations"). The shares of the respective class of the Acquiring Fund exchanged will have an aggregate net asset value equal to the aggregate net asset value of the corresponding class of the Acquired Fund's shares determined as of the close of regular trading on the New York Stock Exchange on the closing date of each Reorganization (each a "Closing Date"), currently anticipated to occur on or about November 9, 2001. The net asset value of the Acquiring Funds and the value of the assets of the Acquired Funds will be determined according to the Acquired and Acquiring Funds' current prospectuses and statements of additional information. Upon consummation of the Reorganizations, each Acquired Fund will be liquidated by the distribution of the corresponding Acquiring Fund's shares pro rata to the shareholders of record of the Acquired Fund.

6. Applicants state that the investment objectives and policies of each Acquired Fund are generally similar to those of its corresponding Acquiring Fund. Applicants state that the rights and obligations of each class of shares of the Acquired Funds are similar to those of the corresponding class of shares of the Acquiring Funds. For purposes of calculating the contingent deferred sales charges on shares of an Acquired Fund that currently have a deferred sales charge, the amount of time a shareholder held shares of the Acquired Fund will be added to the amount of time the shareholder holds shares of the applicable Acquiring Fund. No sales charges will be imposed in connection with the Reorganizations. AIG or an affiliated person of AIG (but not the Funds) will bear the costs associated with the Reorganizations.

7. Each Board, including a majority of the Independent Trustees, determined that the participation of each Fund in the respective Reorganization was in the best interests of the Fund and its shareholders, and that the interests of the shareholders of the Fund would not be diluted as a result of the Reorganization. In approving the Reorganizations, the Boards considered various factors, including: (a) The terms and conditions of the Reorganization; (b) the effect of the Reorganizations on

¹ International Equity Portfolio of SunAmerica Style Select Series will be reorganizing into the newly created Shell, International Equity Fund of Equity Trust, and is also referred to as an "Acquired Fund."

² The Acquired Funds and the corresponding Acquiring Funds are: (i) The Balanced Fund and Equity Trust; Balanced Assets Fund; (ii) Mid Cap Growth Fund and Equity Trust; Growth Opportunities Fund; (iii) Global Equity Fund and Equity Trust; International Equity Fund; (iv) International Equity Fund and Equity Trust; International Equity Fund; (v) International Small Cap Fund and Equity Trust; International Equity Fund; (vi) Core Bond Fund and Income Trust; Core Bond Fund; (vii) High Yield Bond Fund and Income Trust; High Yield Bond Fund; (viii) Municipal Bond Fund and Income Trust; Tax Exempt Insured Fund; (ix) Strategic Income Fund and Income Trust; Strategic Bond Fund; (x) Municipal Money Market Fund and Money Market Corp.; Municipal Money market Fund; (xi) Small Cap Growth Fund and Style Select Series; Small Cap Growth Portfolio; (xii) Mid Cap Value Fund and Style Select Series; Multi-Cap Value Portfolio; (xiii) Science and Technology Fund and Strategic Investment Series; Science & Technology Fund; (xiv) Stock Index Fund and Strategic Investment Series; Stock Index Fund; (xv) Aggressive Growth LifeStyle Fund and Strategic Investment Series; Aggressive Growth LifeStage Fund; (XVI) Conservative Growth LifeStyle Fund and Strategic Investment Series;

Conservative Growth LifeStage Fund; (xvii) Moderate Growth LifeStyle Fund and Strategic Investment Series; Moderate Growth LifeStage Fund; and (xviii) Style Select: International Equity Portfolio and Equity Trust; International Equity Fund.

³ The Shells are Equity Trust: International Equity Fund; Income Trust: Core Bond Fund; Style Select Series: Small Cap Growth Portfolio; Strategic Investment Series: Stock Index Fund, Science & Technology Fund, Aggressive Growth LifeStage Fund, Moderate Growth LifeStage Fund, and Conservative Growth LifeStage Fund; and Money Market Corp.: Municipal Money Market Fund.

the Acquired Funds' shareholders and the value of their interests; (c) the fact that the Reorganizations would likely provide economies of scale over time that could reduce some Fund expenses; (d) the fact that AIG or an affiliated person thereof will bear the expenses relating to the Reorganizations; (e) the anticipated tax-free nature of the Reorganizations; and (f) the investment experience, expertise and resources of SAAMCo.

8. The Reorganizations are subject to a number of conditions precedent, including: (a) The shareholders of each Acquired Fund will have approved the Reorganization; (b) the Funds will have received opinions of counsel concerning the tax-free nature of each Reorganization; and (c) applicants will have received exemptive relief from the Commission to permit the Reorganizations. Each Plan may be terminated prior to the Closing Date by the mutual agreement of the Boards on behalf of the Acquiring Funds and the Acquired Funds. Applicants agree not to make any material changes to the Plans that affect the application without prior Commission approval.

9. A registration statement on Form N-14 with respect to each Reorganization, containing a prospectus/proxy statement, was filed with the Commission on August 17, 2001, and became effective on October 3, 2001. Solicitation materials related to the Reorganizations were mailed to shareholders of the Acquired Funds on or about October 5, 2001. A special meeting of shareholders of each Acquired Fund is scheduled to be held on November 7, 2001.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of such a person, acting as principal, from selling any security to, or purchasing any security from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include: (a) Any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose securities are directly or indirectly owned, controlled, or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by or under common control with the other person, and (d) if the other person is an investment company, any investment adviser of that company. Applicants state that the Funds may be deemed affiliated persons and, thus, the

Reorganizations may be prohibited by section 17(a).

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) certain mergers, consolidations, and sales of substantially all of the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers, provided that certain conditions set forth in the rule are satisfied. Applicants believe that rule 17a-8 may not be available in connection with the Reorganizations because certain of the Funds may be deemed to be affiliated for reasons other than those set forth in the rule. Applicants state that because the Affiliated Plan and VALIC each own 5% or more (and in some cases more than 25%) of the outstanding voting securities of certain Acquired Funds, those Funds may be deemed to be affiliated persons of an affiliated person (AIG) of the Acquiring Fund to which they propose to sell their assets. Applicants state that because SAAMCo will own all of the outstanding voting securities of the Shells, those Acquiring Funds may be deemed to be affiliated persons of an affiliated person (AIG) of the Acquired Funds from which the Acquiring Funds propose to purchase assets in connection with the Reorganizations.

3. Section 17(b) of the Act provides, in relevant part, that the Commission may exempt a transaction from the provisions of section 17(a) if the evidence establishes that the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

4. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) of the Act to the extent necessary to complete the Reorganizations. Applicants submit that the Reorganizations satisfy the standards of section 17(b) of the Act. Applicants state that the terms of the proposed Reorganizations are fair and reasonable and do not involve overreaching. Applicants also state that the Boards, including a majority of the Independent Trustees, have determined that the participation of the Funds in the Reorganizations is in the best interests of each Fund and that such participation will not dilute the interests of the existing shareholders of

each Fund. In addition, applicants state that the Reorganizations will be on the basis of the Funds' relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44922; File No. SR-PCX-2001-24]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 by the Pacific Exchange, Inc. Relating to Synchronization of Member Organization Business Clocks

October 11, 2001.

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 June 18, 2001, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On October 9, 2001, the Exchange amended its proposal.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The PCX is proposing to adopt a new rule requiring all PCX member organizations to synchronize their business clocks. The text of the proposed rule change is as follows:

Time Synchronization

Rule 6.20(a) Each Member Organization must synchronize, within a time frame established by the Exchange, the business clocks that it uses for the purpose of recording the date and time of any event that must be recorded pursuant to the Rules of the Exchange. Member Organizations may

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Hassan Abedi, Attorney, PCX, to Nancy J. Sanow, Assistant Director, Division of Market Regulation, Commission, dated October 5, 2001 ("Amendment No. 1"). Amendment No. 1 expanded the proposed rule language to further define the three-second tolerance.