

emergency diesel generator (1) accelerated testing requirements (TS 3/4.8.1, Table 4.8-1), and (2) special reporting requirements (TS Surveillance Requirement 4.8.1.1.3) in accordance with NRC Generic Letter (GL) 94-01, "Removal of Accelerated Testing and Special Reporting Requirements for Emergency Diesel Generators."

Date of issuance: March 30, 1998.

Effective date: March 30, 1998.

Amendment No.: 139.

Facility Operating License No. NPF-12: Amendment revises the Technical Specifications.

Date of initial notice in Federal Register: February 25, 1998 (63 FR 9614) The Commission's related evaluation of the amendment is contained in a Safety Evaluation dated March 30, 1998.

No significant hazards consideration comments received: No.

Local Public Document Room location: Fairfield County Library, 300 Washington Street, Winnsboro, SC 29180.

Union Electric Company, Docket No. 50-483, Callaway Plant, Unit 1, Callaway County, Missouri

Date of application for amendment: April 24, 1997, as supplemented by letters dated June 6, 1997, and June 27, 1997.

Brief description of amendment: The amendment revises Section 6.0 of the Callaway Plant, Unit 1 Technical Specifications to change the title "Senior Vice President Nuclear" to "Vice President and Chief Nuclear Officer."

Date of issuance: March 23, 1998.

Effective date: March 23, 1998.

Amendment No.: 122.

Facility Operating License No. NPF-30: The amendment revised the Technical Specifications.

Date of initial notice in Federal Register: July 30, 1997 (62 FR 40859).

The Commission's related evaluation of the amendment is contained in a Safety Evaluation dated March 23, 1998.

No significant hazards consideration comments received: No.

Local Public Document Room location: University of Missouri-Columbia, Elmer Ellis Library, Columbia, Missouri 65201-5149.

Vermont Yankee Nuclear Power Corporation, Docket No. 50-271, Vermont Yankee Nuclear Power Station, Vernon, Vermont

Date of application for amendment: October 10, 1997, as supplemented on October 31, 1997.

Brief description of amendment: The amendment revises and clarifies the offsite power requirements.

Date of Issuance: March 24, 1998.

Effective date: March 24, 1998, to be implemented within 60 days.

Amendment No.: 155.

Facility Operating License No. DPR-28: Amendment revised the Technical Specifications.

Date of initial notice in Federal Register: December 31, 1997 (62 FR 68319).

The Commission's related evaluation of this amendment is contained in a Safety Evaluation dated March 24, 1998.

No significant hazards consideration comments received: No.

Local Public Document Room location: Brooks Memorial Library, 224 Main Street, Brattleboro, VT 05301.

Wisconsin Electric Power Company, Docket Nos. 50-266 and 50-301, Point Beach Nuclear Plant, Units 1 and 2, Town of Two Creeks, Manitowoc County, Wisconsin

Date of application for amendments: January 21, 1997, as supplemented on December 15, 1997.

Brief description of amendments: These amendments revise TS Section 15.6.11, "Radiation Protection Program," references to Title 10, Code of Federal Regulations, Part 20.

Date of issuance: March 17, 1998.

Effective date: March 17, 1998, with full implementation within 45 days.

Amendment Nos.: 182 and 186.

Facility Operating License Nos. DPR-24 and DPR-27: Amendments revised the Technical Specifications.

Date of initial notice in Federal Register: April 23, 1997 (62 FR 19837)

The December 15, 1997, supplement provided clarifying information and modified proposed language within the scope of the original application and did not change the staff's initial proposed no significant hazards considerations determination.

The Commission's related evaluation of the amendments is contained in a Safety Evaluation dated March 17, 1998.

No significant hazards consideration comments received: No.

Local Public Document Room location: The Lester Public Library, 1001 Adams Street, Two Rivers, Wisconsin 54241.

Wisconsin Electric Power Company, Docket Nos. 50-266 and 50-301, Point Beach Nuclear Plant, Units 1 and 2, Town of Two Creeks, Manitowoc County, Wisconsin

Date of application for amendments: November 17, 1995 (TSCR 182), as supplemented on July 29, 1996, and December 15, 1997.

Brief description of amendments: These amendments revise Technical

Specifications 15.6.3.2, 15.6.3.3, and 15.6.5 designation of health physics manager to health physicist.

Date of issuance: March 24, 1998.

Effective date: March 24, 1998, with full implementation within 45 days.

Amendment Nos.: 183 and 187.

Facility Operating License Nos. DPR-24 and DPR-27: Amendments revised the Technical Specifications.

Date of initial notice in Federal Register: September 11, 1996 (61 FR 47983).

The December 15, 1997, letter provided additional clarifying information within the scope of the original application and did not change the staff's initial proposed no significant hazards considerations determination.

The Commission's related evaluation of the amendments is contained in a Safety Evaluation dated March 24, 1998.

No significant hazards consideration comments received: No.

Local Public Document Room location: The Lester Public Library, 1001 Adams Street, Two Rivers, Wisconsin 54241.

Dated at Rockville, Maryland, this 1st day of April 1998.

For the Nuclear Regulatory Commission.

Elinor G. Adensam,

Acting Director, Division of Reactor Projects—III/IV, Office of Nuclear Reactor Regulation.

[FR Doc. 98-9040 Filed 4-7-98; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23097; International Series Release No. 1128; File No. 812-11072]

B.A.T. Industries p.l.c.; Notice of Application

April 2, 1998.

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

ACTION: Notice of application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") granting relief from all provisions of the Act.

SUMMARY OF APPLICATION: Applicant, B.A.T. Industries p.l.c., requests an order under section 6(c) of the Act exempting Allied Zurich p.l.c. from all provisions of the Act.

FILING DATES: The application was filed on March 17, 1998 and amended on March 30, 1998.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on April 24, 1998, and should be accompanied by proof of service on applicant, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, B.A.T. Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H 0NL, England.

FOR FURTHER INFORMATION CONTACT: Mary T. Geffroy, Senior Counsel, at (202) 942-0553, or Nadya B. Roytblat, Assistant Director, 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, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. (202) 942-8090).

Applicant's Representations

1. Applicant is a public limited company organized under the laws of England. On December 22, 1997, Zurich Insurance Company ("ZIC"), a Swiss corporation, and applicant entered into a merger agreement pursuant to which the financial services businesses of applicant will be combined with ZIC's financial services businesses, through a series of transactions. (collectively, the "Transaction").

2. Allied Zurich p.l.c. ("AZ") will be organized as a public limited company under the laws of England in order to effect the Transaction. AZ will become a holding company for substantially all of applicant's financial services subsidiaries. AZ will exchange the ordinary shares of applicant's former financial services subsidiaries for 43% of the equity of Zurich Financial Services ("ZFS"), a newly created Swiss subsidiary of Zurich Allied AG ("Zurich"), a Swiss corporation.

3. Applicant will distribute to its current shareholders shares of AZ. Applicant intends that AZ will be listed and publicly traded on the London Stock Exchange. In addition, it is currently under consideration whether or not an American Depositary Receipt facility will be created in the United States for AZ's ordinary shares.

4. Concurrently with applicant's restructuring, ZIC will reorganize its existing corporate structure by establishing a new holding company, Zurich, which will be owned by the former shareholders of ZIC.

5. As a result of these transactions and reorganizations, ZFS will own the financial services businesses of applicant and ZIC. AZ will own 43% and Zurich will own 57% of the voting stock of ZFS. AZ also will hold one series of non-equity shares of ZFS that will not be entitled to vote and will receive dividends declared on the series. In addition, to facilitate tax efficient dividend payments, AZ will directly hold non-equity shares in Allied Zurich Holdings Limited ("AZH"), which will be a wholly-owned subsidiary of AFS. AZH will be a holding company for several of applicant's former financial services subsidiaries. Neither AZH nor ZFS will be an investment company under section 3(a) of the Act, and neither will rely on an exemption from the definition of "investment company" under sections 3(c)(1) or 3(c)(7) of the Act.

6. AZ and Zurich (collectively, the "Topcos") will be holding companies for ZFS, a corporate structure sometimes referred to as "dual listed holding companies." The dual listed holding company structure will be employed to achieve a unified governance structure that will enable ZFS and its subsidiaries (collectively, the "ZFS Group") to be operated as a fully merged enterprise. Under the dual listed holding company structure, the Transaction can be accounted for as a "pooling of interests" under International Accounting Standards. The dual listed holding company structure also will allow dividends to be upstreamed from ZFS's operating subsidiaries in a tax efficient manner. Through the use of non-equity shares, ZFS can make dividends from its United States operating subsidiaries directly to AZ (rather than through ZFS, which would subject the dividends to Swiss withholding tax).

7. The sole assets of each Topco will be the equity securities of ZFS and other related assets, such as cash received from the ZFS Group as dividends prior to distribution to the Topco's shareholders. Neither Topco may, without the consent of the other, engage in any activities unrelated to its investment in ZFS or transfer or otherwise encumber the ZFS shares owned by it.

Applicant's Legal Analysis

1. Section 3(a)(1)(C) of the Act defines "investment company" to include any

issuer which is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40% of the value of that issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis. Under section 3(a)(2), "investment securities" includes all securities except (i) Government securities and (ii) securities issued by (a) employee's securities companies or (b) certain majority-owned subsidiaries.

2. Applicant states that because ZFS is not a majority-owned subsidiary of AZ, the ZFS shares owned by AZ could be deemed to be "investment securities" within the meaning of section 3(a)(2). Applicant also submits that because virtually all of AZ's assets will consist of ordinary and non-equity shares of ZFS and non-equity shares of AZH, AZ may be deemed to be an investment company under section 3(a)(1)(C) of the Act.

3. Section 6(c) of the Act provides, in part, that the Commission may exempt any persons from any provision of the Act or any rule under the Act if and to the extent the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants requests an order under section 6(c) exempting AZ from all provisions of the Act.

4. Applicant contends that because AZ will be solely a holding company of ZFS, AZ does not raise the concerns underlying the Act and is not the type of entity intended to be covered by the Act. Applicant also states that the dual listed holding company structure is an accepted form of organizing an international enterprise. Applicant submits that the corporate form employed by these types of companies does not implicate the concerns underlying the Act. Applicants also states that such companies function as fully merged business enterprises with diverse international public ownership.

5. Applicant states that AZ, Zurich and ZFS will be operated as a fully merged enterprise in a manner similar to that employed by other dual listed holding companies. Applicant submits that, from the perspective of an investor, AZ will be no different than a traditional holding company. Applicant believes that exempting AZ from the provisions of the Act would be consistent with the protection of investors and the legislative purpose of the Act.

6. Applicant contends that AZ's assets are not of the sort that Congress was concerned about in creating the Act. Applicant submits that, rather than being liquid, mobile and readily negotiable or large pools of funds, AZ's sole assets will be the ordinary shares and a series of non-equity shares of ZFS, together with certain related assets (such as non-equity shares in AZH and dividends received from ZFS and AZH prior to distribution to AZ's shareholders). Applicant states that AZ is prohibited from engaging in any activities unrelated to its investment in ZFS or transferring or otherwise encumbering the ZFS securities without the consent of Zurich. Applicant submits that AZ's business does not entail the types of risk to public investors that the Act was designed to eliminate or mitigate.

Applicant's Conditions

Applicant agrees that the order granting the requested relief will be subject to the following conditions:

1. AZ will not hold itself out as being engaged in the business of investing, reinvesting, or trading in securities.

2. AZ will not acquire any investment securities as that term is defined in section 3(a)(2) of the Act, except securities of ZFS and its majority-owned subsidiaries that are neither investment companies nor relying on section 3(c)(1) or 3(c)(7) of the Act and for cash management purposes, certificates of deposit, banker's acceptances, and time deposits maturing within 180 days from the date of acquisition thereof, securities issued or guaranteed by a foreign government with a maturity not exceeding one year, and shares of money market mutual funds.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-9125 Filed 4-7-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23098; 812-11052]

CoreFunds, Inc. and CoreStates Investment Advisers, Inc.; Notice of Application

April 2, 1998.

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

ACTION: Notice of application under section 6(c) of the Investment Company

Act of 1940 (the "Act") for an exemption from section 15(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit the implementation, without prior shareholder approval, of an interim investment advisory agreement and sub-advisory agreements (collectively the "Interim Agreements") between CoreFunds, Inc. ("Fund") and CoreStates Investment Advisers, Inc. ("Adviser") and sub-advisers, in connection with the merger of CoreStates Financial Corp. ("CoreStates") with and into First Union Corporation ("First Union"). The order would cover a period of up to 150 days following the date of the consummation of the merger (but in no event later than September 30, 1998) ("Interim Period"). The order also would permit the Adviser and sub-advisers to receive all fees earned under the Interim Agreements during the Interim period, following shareholder approval.

APPLICANTS: The Funds, or behalf of its separate investment portfolios, Equity Index Funds, Core Equity Fund, Growth Equity Fund, Special Equity Fund, International Growth Fund, Balanced Fund, Short-Term Income Fund, Short-Intermediate Bond Fund, Government Income Fund, Bond Fund, Global Bond Fund, Intermediate Municipal Bond Fund, Pennsylvania Municipal Bond Fund, New Jersey Municipal Bond Fund, Treasury Reserve Fund, Cash Reserve Fund, Tax-Free Reserve Fund, Elite Cash Reserve Fund, Elite Treasury Reserve Fund, Elite Tax-Free Reserve Fund (collectively the "Portfolios") and the Adviser.

FILING DATES: The application was filed on March 6, 1998. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is included 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 April 27, 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 who wish to be notified of a hearing may request

notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. CoreFunds, Inc., c/o John A. Dudley, Esq., 1025 Connecticut Avenue, N.W., Washington, D.C. 20036 and James W. Jennings, Esq., 2000 One Logan Square, Philadelphia, PA 19103-6993, CoreStates Investment Advisers, Inc., c/o Mark E. Stalneck, 1500 Market Street, (FC-1-3-86-11), Philadelphia, Pennsylvania 19102.

FOR FURTHER INFORMATION CONTACT: Emerson S. Davis, Senior Counsel, at (202) 942-0714, or George J. Zornada, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicant's Representations

1. The Fund is a Maryland corporation registered under the Act as an open-end management investment company and is organized as a series company offering the Portfolios. The Adviser is an investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act") and is a wholly-owned subsidiary of CoreStates. The Adviser serves as investment adviser to each of the Portfolios. The Fund and the Adviser also have sub-advisory agreements for certain Portfolios with advisers registered under the Advisers Act.¹

2. CoreStates, which is a bank holding company, has agreed to merge with and into First Union or a designated subsidiary of First Union (the "Transaction"). Applicants currently expect the Transaction to close on April 30, 1998. As a result of the Transaction, the Adviser will come under the control of First Union.

3. Applicants believe that the Transaction will result in an assignment and thus automatic termination of the existing investment advisory and sub-advisory agreements between the Fund and the Adviser and the sub-advisers (collectively, "Existing Agreements"). Applicants request an exemption: (i) to

¹ The following firms serve as sub-advisers to the respective Portfolios under sub-advisory agreements with the Adviser: Martin Currie, Inc. (for the International Growth Fund); Aberdeen Fund Managers, Inc. (for the International Growth Fund); and Analytic TSA International, Inc. (for the Global Bond Fund).