

POSTAL SERVICE BOARD OF GOVERNORS

Sunshine Act Meeting

Board Votes to Close Meeting

In person and by telephone vote on October 16, 1998, a majority of the members contacted and voting, the Board of Governors voted to close to public observation a meeting held in Washington, D.C. via teleconference. The Board determined that prior public notice was not possible.

ITEM CONSIDERED: 1. Postal Rate Commission Opinion and Recommended Decision in Docket No. MC98-1, Mailing Online.

GENERAL COUNSEL CERTIFICATION: The General Counsel of the United States Postal Service has certified that the meeting was properly closed under the Government in the Sunshine Act.

CONTACT PERSON FOR MORE INFORMATION: Requests for information about the meeting should be addressed to the Secretary of the Board, Thomas J. Koerber, at (202) 268-3800.

Thomas J. Koerber,

Secretary.

[FR Doc. 98-28408 Filed 10-19-98; 3:49 pm]

BILLING CODE 7710-12-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23487; 812-11178]

The Dreyfus/Laurel Tax-Free Municipal Funds; Notice of Application

October 15, 1998.

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

ACTION: Notice of application for an order 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: Applicant requests an order to permit one series of The Dreyfus/Laurel Tax-Free Municipal Funds ("Trust") to acquire all of the assets and liabilities of two other series of the Trust.

FILING DATES: The application was filed on June 17, 1998, and amended on September 28, 1998. Applicant has 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 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 November 9, 1998, and should be accompanied by proof of service on the 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: 200 Park Avenue, New York, NY 10166.

FOR FURTHER INFORMATION CONTACT:

Timothy R. Kane, Staff Attorney, at (202) 942-0615, 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 at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (telephone 202-942-8090).

Applicant's Representations

1. The Trust, a Massachusetts business trust, is registered under the Act as an open-end management investment company. Dreyfus Premier Limited Term Municipal Fund ("Acquiring Fund") is one of seven series of the Trust. Dreyfus Premier Limited Term California Municipal Fund ("California Fund") and the Dreyfus Premier Limited Term New York Municipal Fund ("New York Fund") are also series of the Trust. California Fund and New York Fund are collectively referred to as the "Acquired Funds." The Acquiring Fund and the Acquired Funds collectively are referred to as the "Funds."

2. The Dreyfus Corporation ("Adviser"), an investment adviser registered under the Investment Advisers Act of 1940, serves as investment adviser for the Acquiring Fund and the Acquired Funds. The Adviser is a wholly-owned subsidiary of Mellon bank, N.A., which is a wholly-owned subsidiary of Mellon Bank Corporation ("Mellon"). Mellon owns, with power to vote in the aggregate, approximately 58% of the outstanding voting securities of the California Fund, approximately 57% of the outstanding voting securities of the New York Fund, and approximately 53% of the

outstanding voting securities of the Acquiring Fund.

3. On April 23, 1998, the Trust's board of trustees ("Board"), including the non-interested trustees, unanimously approved an Agreement and Plan of Reorganization ("Plan of Reorganization") for each Acquired Fund pursuant to which the Acquiring Fund will acquire all of the assets and liabilities of each Acquired Fund in exchange for shares of the corresponding classes of the Acquiring Fund having an aggregate net asset value equal to the assets transferred minus the liabilities of the Acquired Fund ("Reorganization"). Each Acquired Fund will endeavor to discharge all of its known liabilities and obligations prior to closing of the Reorganization, presently expected to occur on or about November 13, 1998 ("Closing Date").

4. The Acquiring Fund and the Acquired Funds offer four share classes: Class A, Class B, Class C, and Class R. Each class of the Acquired Funds has identical rights and expense ratios as its corresponding share class of the Acquiring Fund. Class A shares are sold with a maximum sales charge of 3%, Class B shares are subject to a maximum 3% contingent deferred sales charge ("CDSC") if redeemed within five years of purchase, and convert to Class A shares in approximately six years after the date of purchase; Class C shares are subject to a 0.75% CDSC if redeemed within one year of purchase; and Class R shares pay no sales charges. Classes A, B, and C pay for distribution expenses at various rates through a rule 12b-1 plan.

5. As a result of the Reorganization, each Acquired Fund shareholder will receive Acquiring Fund shares having an aggregate net asset value equal to the aggregate net asset value of the corresponding Acquired Fund's shares held by that shareholder calculated as of the Closing Date. For purposes of calculating the CDSC on Classes B and C and the conversion rights of Class B shares, Class B and Class C shareholders of the Acquired Funds will be deemed to have held Class B and Class C shares of the Acquiring Fund since the date the shareholders initially purchased the shares of the Acquired Funds.

6. The investment objectives of the Acquiring Fund and each Acquired Fund are to maximize current income exempt from federal income tax. The California Fund has the additional objective of seeking income exempt from California's state income tax; the New York Fund has the additional objective of seeking income exempt from both the state of New York's

income tax and New York City's personal income tax.

7. The Board found that participation in the Reorganization was in the best interests of the relevant Fund and that the interests of the existing shareholders of each relevant Fund would not be diluted as a result of the Reorganization. The Board considered a number of factors in authorizing the Reorganization including: (a) The compatibility of the Funds' investment objectives, management policies and restrictions, as well as shareholder services offered by the respective Funds; (b) the comparative investment performance of the Funds; (c) the terms and conditions of the Reorganization; (d) the Funds' expense ratios; (e) the increased tax liability to shareholders in the Acquired Funds who invest to reduce their state and local tax liabilities; (f) the Acquired Funds' inability to attract larger levels of assets; (g) the costs to the Funds of the Reorganization; and (h) alternatives to the Reorganization. The Reorganization is expected to be tax-free to shareholders of the Acquired Funds and each Fund will bear its *pro rata* share of Reorganization expenses.

8. On June 12, 1998, the Acquiring Fund filed with the SEC a registration statement on Form N-14 containing a preliminary combined prospectus/proxy statement for the Reorganization. On July 24, 1998, the Acquiring Fund filed the final prospectus/proxy statement with the SEC and mailed it to shareholders on July 27, 1998. The shareholders of the Acquired Funds held a joint special meeting on September 15, 1998, which was adjourned until September 29, 1998, and approved the Reorganization.

9. The Reorganization is subject to a number of conditions including: (a) Each Fund will have received an opinion of counsel stating, among other things, that the Reorganization will not result in federal income tax liability for the Fund or its shareholders; (b) the Acquired Funds' shareholders will have approved the Reorganization; and (c) the Funds will have received from the SEC an order exempting the Reorganization from the provisions of section 17(a) of the Act. Applicant agrees not to make any material changes to the Plans of Reorganization without prior SEC approval.

Applicant's Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or any affiliated person of the person, acting as principal, from selling any security to, or purchasing any security from the

company. Section 2(a)(3) of the Act defines the term "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 outstanding voting 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 the person.

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) of the Act mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons solely by reason of having a "common investment adviser, common directors, and/or common officers," provided that certain conditions are satisfied.

3. Applicant believes that it cannot rely on rule 17a-8 under the Act because the Acquiring and Acquired Funds may be affiliated for reasons other than those set forth in the rule. The Funds may be affiliated persons of Mellon because Mellon and its affiliates, as fiduciaries for their customers, own of record more than 5% of the outstanding securities of the Funds. Mellon, in turn, is an affiliated person of an affiliated person of the funds because its wholly-owned subsidiary serves as investment adviser to the Funds.

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

5. Applicant requests an order under section 17(b) of the Act exempting it from section 17(a) of the Act to the extent necessary to consummate the Reorganization. Applicant submits that the Reorganization satisfies the provisions of section 17(b) of the Act. Applicant states that its Board has determined that the Reorganization is in the best interests of the shareholders of the Acquiring and the Acquired Funds and that the interests of the existing shareholders will not be diluted as a

result of the Reorganization. In addition, applicant states that the exchange of the Acquired Funds' shares for shares of the Acquiring Funds will be based on the relative net asset values.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-28167 Filed 10-20-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23486; International Series Release No. 1162; 812-10998]

Formus Communications, Inc., et al.; Notice of Application

October 14, 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").

SUMMARY OF APPLICATION: The order would permit applicants and certain of their controlled companies to participate in certain foreign telecommunication ventures without being subject to the provisions of the Act.

APPLICANTS: Forums Communications, Inc. ("Formus") and Formus International, Inc. ("FII").

FILING DATES: The application was filed on February 6, 1998. Applicants have agreed to file an amendment 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 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 November 9, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 720 South Colorado