

5. Why do you consider the activities identified in response to Question 4 important with respect to the staff outcome goals? If you consider these activities important for a reason not related to the staff outcome goals, what is the reason these activities are important to you?

6. What types of performance indicators would be useful for the staff to employ to objectively determine its effectiveness in performing licensing activities?

7. What five activities contained in the proposed descriptions of activities encompassed by the licensing authority, interfaces, and regulatory improvements program areas do you consider least important for the Projects organization to perform?

8. Why do you consider the activities identified in response to Question 7 of less importance with respect to the staff outcome goals?

9. Identify any activities in the proposed descriptions for the licensing authority, interfaces, and regulatory improvements program areas that the Projects organization should not perform, and provide an explanation why.

10. As a customer of the licensing organization's output, the staff welcomes any additional input that you feel would be germane to the process of redefining the role of the Projects organization.

**DATES:** July 23, 1999, from 9 a.m. to 4 p.m.

**LOCATION:** Auditorium—Two While Flint North, 11545 Rockville Pike, Rockville, Maryland.

**FOR FURTHER INFORMATION CONTACT:** Marsha Gamberoni, U.S. Nuclear Regulatory Commission, 11555 Rockville Pike, Mail Stop O 13 E4, Rockville, Maryland; Telephone 301-415-3024; Internet: mkg@nrc.gov.

**ADDITIONAL INFORMATION:** For members of the public who are unable to attend the public workshop, the staff would welcome written comments by July 30, 1999. Comments should be sent to: Marsha Gamberoni, U.S. Nuclear Regulatory Commission, 11555 Rockville Pike, Mail Stop O 13 E4, Rockville, Maryland 20852-2738.

Dated at Rockville, Maryland, this 7th day of July 1999.

For the Nuclear Regulatory Commission.

**John A. Zwolinski,**

*Director, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.*

[FR Doc. 99-17748 Filed 7-12-99; 8:45 am]

BILLING CODE 7590-01-P

## POSTAL RATE COMMISSION

### Facility Tours

**AGENCY:** Postal Rate Commission.

**ACTION:** Notice of Commission visits.

**SUMMARY:** The Commission has scheduled several visits to learn about mailing logistics, technology and trends and to observe operations.

**DATES:** July 19, 1999 through July 21, 1999.

**FOR FURTHER INFORMATION CONTACT:**

Stephen L. Sharfman, General Counsel, Postal Rate Commission, Suite 300, 1333 H Street NW., Washington, DC 20268-0001, 202-789-6820.

**SUPPLEMENTARY INFORMATION:** The Commission has scheduled the following visits: July 19, 1999—Emery Worldwide's Bethpage Priority Mail processing plant tour (Hicksville, NY); July 20, 1999—meeting with Time Warner, Inc. executives and printing facility tour; July 21, 1999—Pitney Bowes facility tours (Shelton and Stamford, CT) and briefing on new technologies.

Dated: July 8, 1999.

**Cyril J. Pittack,**

*Acting Secretary.*

[FR Doc. 99-17810 Filed 7-12-99; 8:45 am]

BILLING CODE 7710-FW-M

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23891; File No. 812-11678]

### Anchor National Life Insurance Company, et al.

July 7, 1999.

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

**ACTION:** Notice of application for an order pursuant to Section 26(b) and Section 17(b) of the Investment Company Act of 1940 ("1940 Act").

**SUMMARY OF APPLICATION:** Applicants seek an order of the Commission amending a prior order granted June 9, 1999 (Release No. IC-23868, File No. 812-11450) (the "June 9 Order"), to add Phoenix Home Life Mutual Insurance Company ("Phoenix") and the Phoenix Home Life Variable Universal Life Account ("Phoenix VUL Account", together with Phoenix, the "New Applicants") to the relief granted by the June 9 Order, with respect to certain variable universal life insurance contracts issued by Phoenix through the Phoenix VUL Account. The June 9 Order approved the substitution of: (a) Shares of the Government and Quality

Bond Portfolio of the Anchor Series Trust (the "Trust") for shares of the Fixed Income Portfolio of the Trust; and (b) shares of the Strategic Multi-Asset Portfolio of the Trust for shares of the Foreign Securities Portfolio of the Trust, each in connection with the variable annuity contracts offered by the original Variable Account Applicants, as defined below. Together, the Fixed Income Portfolio of the Trust and the Foreign Securities Portfolio of the Trust are referred to as the "Replaced Portfolios"; together, the Government and Quality Bond Portfolio of the Trust and the Strategic Multi-Asset Portfolio of the Trust are referred to as the "Substituted Portfolios".

**APPLICANTS:** Anchor National Life Insurance Company ("Anchor National"), Variable Annuity Account One of Anchor National ("AN Account"), First SunAmerica Life Insurance Company ("First SunAmerica"), Variable Annuity Account One of First SunAmerica ("FS Account"), Presidential Life Insurance Company ("Presidential"), Presidential Variable Account One ("Presidential Account"), Phoenix, Phoenix VUL Account, and the Trust (applying for relief from Section 17(a) of the 1940 Act only). Together, Anchor National, First SunAmerica, Presidential, and Phoenix are referred to as "Life Company Applicants"; together, AN Account, FS Account, Presidential Account, and Phoenix VUL Account are referred to as "Variable Account Applicants".

**FILING DATE:** The application was filed on July 1, 1999.

**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 on this application by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m., on July 28, 1999, 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 20549-0609. Applicants: Anchor National, AN Account, First SunAmerica, FS Account, and Trust c/o Robert M. Zakem, Esq., SunAmerica Asset

Management Corporation, The SunAmerica Center, 733 Third Avenue, New York, New York 10017-3204; Applicant Presidential and Presidential Account, c/o Charles Snyder, Presidential Life Insurance Company, 69 Lydecker Street, Nyack, New York 10960; and Applicants Phoenix and Phoenix VUL Account, c/o Edwin Kerr, Esq., Phoenix Home Life Mutual Insurance Company, 1 American Row, 11th Floor, Hartford, Connecticut 06102.

**FOR FURTHER INFORMATION CONTACT:** Keith E. Carpenter, Senior Counsel, or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the application. The complete application is available for a fee from the Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 [tel. (202) 942-8090].

#### Applicants' Representations

1. Anchor National is a stock life insurance company organized under the insurance laws of the state of California in April 1965. Anchor National redomesticated under the laws of the state of Arizona on January 1, 1996. Anchor National is an indirect wholly-owned subsidiary of American International Group, Inc. ("AIG"). Anchor National is authorized to write annuities and life insurance in the District of Columbia and all states except New York.

2. First SunAmerica is a stock life insurance company organized under the insurance laws of the state of New York on December 5, 1978. First SunAmerica is a wholly-owned subsidiary of AIG. First SunAmerica is authorized to write annuities and life insurance business in the states of New York, New Mexico, and Nebraska.

3. Presidential is a stock life insurance company organized under the laws of the state of New York in 1965. Presidential is a wholly-owned subsidiary of Presidential Life Corporation, a publicly-owned holding company. Presidential offers life insurance and annuities and is admitted to do business in forty-eight states and the District of Columbia.

4. Phoenix is a mutual life insurance company originally chartered in Connecticut in 1851 and redomiciled to New York in 1992. Phoenix is authorized under state law to sell annuities and life insurance.

5. The Variable Account Applicants are segregated investment accounts registered under the 1940 Act as unit

investment trusts. Each Variable Account Applicant is further divided into divisions that correspond to the portfolios of the Trust. The AN Account, FS Account, and Presidential Account are used to fund certain variable annuity contracts issued by the corresponding Life Company Applicant. The Phoenix VUL Account is used to fund certain variable universal life insurance policies issued by Phoenix.

6. The Trust is a series type investment company, organized as a Massachusetts business trust on August 26, 1983 (each series of which is referred to individually as a "Portfolio" and collectively as the "Portfolios"). The Trust consists of eleven Portfolios, each of which operates as a separate investment fund, that have differing investment objectives, policies, and sub-advisers. Shares of the Portfolios are currently available to the public only through the purchase of certain variable annuity contracts and variable life insurance policies issued by the Life Company Applicants. Sun America Asset Management Company ("SAAMCo") acts as the Trust's investment adviser. SAAMCo is under common control with and therefore affiliated with Anchor National and First SunAmerica. SAAMCo is unaffiliated with Presidential and Phoenix. SAAMCo has retained an unaffiliated investment adviser to act as sub-adviser for all Portfolios of the Trust.

7. The Life Companies have decided to discontinue offering sub-accounts investing in the Replaced Portfolios as investment options under the Contracts and substitute shares of the Substituted Portfolios, because the Replaced Portfolios have not retained sufficient Contract owner interest. As a result, the Replaced Portfolios are dwindling in size. The Life Company Applicants believe that it no longer is economic to continue to offer the corresponding investment options under the Contracts. Moreover, the small size of the Replaced Portfolios makes it difficult to manage the assets to maximize performance.

8. The Life Companies have determined that the Substitute Portfolios are appropriate replacements for the Replaced Portfolios, because (a) The Government and Quality Bond Portfolio (Substituted Portfolio) has a similar investment objective to the Fixed Income Portfolio (Replaced Portfolio), invests in the same types of securities, i.e., fixed income securities, and has generally better performance and lower expenses; and (b) the Strategic Multi-Asset Portfolio (Substituted Portfolio) has a similar investment objective to the Foreign

Securities Portfolio (Replaced Portfolio), generally invests a significant portion of its assets in foreign securities, has generally better performance, and has a similar expense ratio, which may decline as a result of the additional assets resulting from the Substitutions.

9. On June 9, 1999, the Commission issued the June 9 Order, authorizing Anchor National, First SunAmerica, Presidential, and their respective relevant separate accounts (together with the Trust, the "Original Applicants"), pursuant to Section 26(b) of the 1940 Act, to substitute (a) shares of the Government and Quality Bond Portfolio of the Trust for shares of the Fixed Income Portfolio of the Trust; and (b) shares of the Strategic Multi-Asset Portfolio of the Trust for the shares of the Foreign Securities Portfolio of the Trust. The Order also granted relief from Section 17(a) of the 1940 Act to the extent necessary to permit certain in-kind transactions in connection with the substitutions and to permit divisions of the separate accounts of Original Applicants holding the same securities to be combined.

10. Until recently, the Original Applicants mistakenly believed that the June 9 Order covered all of the separate accounts invested in the Replaced Portfolios, and all affected contract holders. In preparing to effect the Substitution, however, the Trust discovered that an additional separate account, the Phoenix VUL Account, owned shares of the Replaced Portfolios. Approximately 75 of Phoenix's contract owners have invested a portion of their contract value in the Replaced Portfolios.

11. The New Applicants would like the relief granted by the June 9 Order to cover Phoenix and the Phoenix VUL Account, so that Phoenix's affected contract holders will have the benefit of the relief granted by the June 9 Order. The New Applicants represent that the Substitution involving the Phoenix VUL Account will be effected on the same basis as the Substitution involving the other Variable Account Applicants and that in effectuating the Substitution Phoenix will follow the procedures described in the original notice of application, dated May 14, 1999 (Release No. IC-23842) except that: (a) Phoenix initially will provide its affected contract holders with notice of the Substitution in a cover letter substantially in the form attached to the application, accompanied by a copy of the current prospectus for the Trust, which contains a description of the Substitution; and (b) Phoenix will not limit the free transfer period after the Substitution to 31 days, because under

the affected Phoenix variable life contracts the affected contract holders generally may transfer all assets, as substituted, to any other division of the Phoenix VUL Account available under their contracts without limitation or charge.

12. The New Applicants have considered the Substitution, and they believe that the Substitution is in the best interests of Phoenix's contract holders and that the Substituted Portfolios are appropriate replacements for the Replaced Portfolios.

#### Applicants' Legal Analysis

1. Section 26(b) of the 1940 Act provides, in pertinent part that "[i]t 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 purpose of Section 26(b) is both to protect the expectation of investors in a unit investment trust that the unit investment trust will accumulate the shares of a particular issuer and to prevent unscrutinized substitutions which might, in effect, force shareholders dissatisfied with a substituted security to redeem their shares, thereby incurring either a loss of the sales load deducted from initial purchase payments, an additional sales load upon reinvestment of the redemption proceeds, or both. Section 26(b) affords this protection to investors by preventing a depositor or trustee of a unit investment trust holding the shares of one issuer from substituting for those shares the shares of another issuer, unless the Commission approves that substitution.

2. Section 17(a)(1) of the 1940 Act prohibits any affiliated person of a registered investment company, or an affiliated person of such affiliated person, from selling any security or other property to such registered investment company. Section 17(a)(2) of the 1940 Act prohibits any of the persons described above from purchasing any security or other property from such registered investment company. Certain of the Substitutions will be effected partly or wholly in-kind. Moreover, after the Substitutions Phoenix will combine its divisions invested in the Replaced Portfolios with the divisions invested in the corresponding Substituted Portfolios. The combination may be deemed to involve the indirect purchase of shares of the Substituted Portfolios with portfolio securities of the corresponding Replaced Portfolios, and the indirect sale of securities of the

Replaced Portfolios for shares of the Substituted Portfolios. Thus, each Portfolio would be acting as principal, in the purchase and sale of securities to the other Portfolio, in contravention of Section 17(a). The Commission has taken the interpretive position that divisions of a registered separate account are to be treated as separate investment companies in connection with substitution transactions. Phoenix could be said to be transferring unit values between their divisions. The transfer of unit values could be said to involve purchase and sale transactions between divisions that are affiliated persons. The sale and purchase transactions between divisions, could be said to come within the scope of Section 17(a)(1) and 17(a)(2) of the 1940 Act, respectively. Therefore, the combination of divisions may require an exemption from Section 17(a) of the 1940 Act, pursuant to Section 17(b) of the 1940 Act.

3. Section 17(b) of the 1940 Act provides that the Commission may grant an order exempting transactions prohibited by Section 17(a) upon application if evidence establishes that: (a) 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; (b) the proposed transaction is consistent with the investment policy of each registered investment company concerned, as recited in its registration statement and reports filed under the 1940 Act; and (c) the proposed transaction is consistent with the general purposes of the 1940 Act. Applicants represent that the terms of the proposed transactions, as described in the application, are: reasonable and fair, including the consideration to be paid and received; do not involve overreaching; are consistent with the policies of each investment company concerned; and are consistent with the general purposes of the 1940 Act.

4. In granting the June 9 Order, the Commission previously found that the Substitution is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act, and that the terms of the proposed transactions are reasonable and fair and do not involve overreaching, the transactions are consistent with the policy of each investment company concerned and with the purposes of the 1940 Act, and the exemption requested is necessary or appropriate in the public interest. Applicants submit that the same findings apply to the Substitutions involving variable universal life

insurance contracts issued by Phoenix through the Phoenix VUL Account, and that accordingly, the proposed amendment to the June 9 Order adding the New Applicants as parties meets the applicable legal requirements.

#### Conclusions

Applicants submit that, for the reasons summarized above, their requests meet the standards set out in Sections 17(b) and 26(b) of the 1940 Act. Accordingly, Applicants request an order, pursuant to Sections 17(b) and 26(b) of the 1940 Act, amending the June 9 Order to include Phoenix and the Phoenix VUL Account as parties and approving the Substitutions by them.

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

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 99-17753 Filed 7-12-99; 8:45 am]

BILLING CODE 8010-01-M

#### SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23897; 812-11612]

#### Evergreen Equity Trust, et al.; Notice of Application

July 8, 1999.

**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 assume all of the liabilities of certain other series of the investment companies. Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

**APPLICANTS:** Evergreen Equity Trust (the "Equity Trust"), Evergreen Fixed Income Trust (the "Fixed Income Trust"), Evergreen Municipal Trust (the "Municipal Trust"), Evergreen Select Equity Trust (the "Select Equity Trust") (collectively, the "Trusts"), and First Union National Bank ("FUNB").

**FILING DATES:** The application was filed on May 17, 1999. 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