''enable the use and management of radioactive materials and nuclear fuels for beneficial purposes in a manner that (1) protects the public health and safety and the environment, (2) promotes the security of our nation, and (3) provides for regulatory actions that are effective, efficient, and open.'' Additionally, the draft Strategic Plan has been restructured to improve its focus and readability. The restructuring significantly reduced the redundancy that exists in the agency's current strategic plan.

The NRC's draft Strategic Plan now includes a vision statement for NRC. The NRC's vision in fulfilling its responsibilities is: ''Excellence in regulating the safe and secure use and management of radioactive materials for the public good.'' The draft plan also focuses on five general goals: Safety, security, openness, effectiveness, and management excellence. These goals support our ability to maintain the public health, safety, and trust. The overarching goal of ensuring the safe use of radioactive materials and of enhancing safety, as appropriate, remains unchanged. The general goal on security has been added to reflect recent changes in our environment, while the general goal on openness emphasizes those actions we can directly control and states that public confidence should be an outcome of openness.

The NRC encourages all interested parties to comment on the draft Strategic Plan. The comment period will close on December 31, 2003. Comments on the draft plan may be submitted by any of the methods outlined under the **ADDRESSES** heading. Stakeholder feedback will be valuable in helping the Commission develop a final plan that has the benefit of the many views in the regulated civilian nuclear industry.

The final version of NUREG–1614, Volume 3, is expected to be released on or about March 30, 2004.

Dated at Rockville, Maryland, this 18th day of November, 2003.

For the Nuclear Regulatory Commission.

Leslie W. Barnett,

Director, Division of Planning, Budget, and Analysis, Office of the Chief Financial Officer.

[FR Doc. 03–29248 Filed 11–21–03; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–26257; File No. 812–13028]

AIG SunAmerica Life Assurance Company, et al.; Notice of Application

November 18, 2003.

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

ACTION: Notice of an application for an order (the ''Order'') of approval pursuant to Section 26(c) of the Investment Company Act of 1940 (the ''1940 Act'') and an order of exemption pursuant to Section 17(b) of the 1940 Act from Section 17(a) of the 1940 Act.

Applicants: AIG SunAmerica Life Assurance Company and Variable Separate Account of AIG SunAmerica Life Assurance Company (collectively, the ''Applicants.'')

Summary of the Application: The Applicants request an order (a) permitting the substitution of Growth Series, International Series, Growth-Income Series, Asset Allocation Series, High-Yield Bond Series, U.S. Government/AAA Rated Securities Series and Cash Management Series (the ''Replaced Portfolios''), each a series of the Anchor Pathway Fund (''Anchor Fund ''), for Class 3 shares of the Growth Fund, International Fund, Growth-Income Fund, Asset Allocation Fund, High-Income Bond Fund, U.S. Government/AAA–Rated Securities Fund and Cash Management Fund (the ''Replacement Portfolios''), each a series of the American Funds Insurance Series (''AFIS''); and (b) permitting certain in-kind transactions in connection with the proposed substitutions (the ''Substitutions'').

Filing Date: The application was filed on January 28, 2003, amended and restated on September 22, 2003, and amended on November 14, 2003.

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 on the application by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the SEC by 5:30 p.m. on December 12, 2003, 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 SEC.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Applicants: c/o Jorden Burt LLP, 1025 Thomas Jefferson Street, NW., East Lobby, Suite 400, Washington, DC 20007, Attention: Joan E. Boros, Esq.

FOR FURTHER INFORMATION CONTACT: Mark Cowan, Senior Counsel, or Zandra Y. Bailes, Branch Chief, at (202) 942–0670 (Division of Investment Management, Office of Insurance Products).

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

Applicants' Representations

1. AIG SunAmerica Life Assurance Company (''AIG SunAmerica'') is a stock life insurance company originally organized under the laws of the state of California in April 1965, and redomesticated under the laws of the state of Arizona on January 1, 1996. AIG SunAmerica is a wholly-owned subsidiary of SunAmerica Life Insurance Company, an Arizona corporation, which is, in turn, wholly-owned by AIG SunAmerica Inc., a Delaware corporation, which is, in turn, wholly-owned by American International Group, Inc. AIG SunAmerica was previously known as Anchor National Life Insurance Company. AIG SunAmerica is authorized to conduct annuity and life insurance business in the District of Columbia and all states except New York.

2. Variable Separate Account of AIG SunAmerica (the ''Separate Account'') was established by AIG SunAmerica on June 25, 1981, in accordance with the laws of the state of California and is currently authorized under the laws of the state of Arizona as a result of AIG SunAmerica's redomestication on January 1, 1996. The Separate Account is registered as a unit investment trust under the 1940 Act. The Separate Account is used to fund the contract under which the proposed Substitutions are to take place (the ''Contract'') and other annuity contracts issued by AIG SunAmerica and is currently divided into a total of sixty-six (66) variable accounts (''Variable Accounts''); however, only seven (7) of the Variable Accounts and portfolios (''Portfolios'') in which they invest are available on an exclusive basis, under the Contract that is the subject of the application.

3. The Contract issued by AIG SunAmerica through its Separate Account, the American Pathway II Variable Annuity, is an individual flexible premium deferred non-participating variable annuity contract that currently utilizes only the Replaced Portfolios as underlying investments. AIG SunAmerica discontinued new sales of the Contract as of the close of business on August 31, 1993, but continues to accept subsequent purchase payments on existing Contracts and to issue the Contract to new participants in existing qualified retirement plans using the Contract as a funding vehicle.

4. The Replaced Portfolios, each of which offers a single class of shares, constitute each of the separate series available through the Anchor Fund. The Anchor Fund was organized as a Massachusetts business trust on March 23, 1987, and established to provide a funding medium for the Variable Accounts of the Separate Account that are its sole shareholders. The Separate Account buys and sells shares of the Anchor Fund at net asset value that is net of the management fees (''Business Management Fee''), which range from .20% to .24% of average daily net assets, paid to SunAmerica Asset Management Corp. (''SAAMCO''), an affiliate of AIG SunAmerica, to manage the business affairs of the Anchor Fund and to provide administrative services pursuant to a written agreement (''Business Management Agreement''). The Anchor Fund is registered as a diversified, open-end management investment company under the 1940 Act, and its shares are registered as securities under the Securities Act of 1933 (the ''1933 Act''). Capital Research and Management Company (''Capital Research'' or the ''Adviser'') serves as the investment adviser to the Anchor Fund. Capital Research is not affiliated with AIG SunAmerica.

5. The Replacement Portfolios represent the Class 3 shares of seven (7) of the thirteen (13) series of AFIS, each of which also offers Class 1 and Class 2 shares. AFIS is registered as a diversified, open-end management investment company under the 1933 Act and was organized as a Massachusetts business trust on September 13, 1983. Its Class 1 and Class 2 shares are sold currently only to separate accounts of various insurance companies to provide a funding medium for their variable annuity contracts and variable life policies. The Replacement Portfolios, which the Separate Account will purchase, will be offered at net asset value subject to a plan adopted pursuant to Rule 12b–1 under the 1940 Act (the ''Rule 12b–1 Plan''). Pursuant to the plan, AFIS will pay .18%, subject to the condition discussed below with respect to the Growth Fund, of the average daily net assets attributed to the Class 3 shares to reimburse AIG SunAmerica for performing administrative services (the ''Service Fee'').

6. Once registered, the Class 3 shares of the Replacement Portfolios will initially be sold only to the Separate Account to serve as the exclusive funding medium for the Variable Accounts under the Contract. However, AFIS would be permitted to offer shares of the Replacement Portfolios to other insurance companies. Capital Research serves as the investment adviser to AFIS. Capital Research is not affiliated with AIG SunAmerica.

7. The application covers all of the available Portfolios in which the Separate Account invests under the Contract. AIG SunAmerica reviewed the Portfolios available under the Contract. The primary goal of the review was to consider and determine whether to replace certain or all of the Portfolios based on a review of their investment objectives and principal investment strategies, total annual expenses, net asset size, and performance. The review resulted in the proposal that AIG SunAmerica discontinue offering Variable Accounts investing in the Replaced Portfolios as investment options under the Contract and substitute shares of the Replacement Portfolios. Taking into account that the Contract is no longer offered for sale and will not be offered for sale after the Substitutions occur, this proposal was due primarily to AIG SunAmerica's conclusion that the larger and growing asset size of the Replacement Portfolios would provide the only feasible means of maintaining lower total annual expenses and maintaining effective asset management with the goal of improving performance. No other contract is funded through investment in the Replaced Portfolios, and therefore, there is no growth potential for the Replaced Portfolios.

8. The Applicants represent that each of the Replacement Portfolios has investment objectives, policies, and restrictions substantially identical in all material respects to those of its corresponding Replaced Portfolio. In addition, the Replacement Portfolios utilize the same investment adviser as the Replaced Portfolios, Capital Research, a well-known and respected investment adviser.

9. The Applicants represent that each of the Replacement Portfolios has lower total annual expenses than those of its corresponding Replaced Portfolio (except for the Growth Fund, which has slightly higher total annual expense than the Growth Series), as set forth in the following chart.

EXPENSE RATIOS

[As a percentage of average daily net assets]

Replaced portfolios (one year period ended 2/28/03)[1] growth series		Replacement portfolios (one year period ended 12/31/02) growth fund	
Advisory Fee	0.30	Advisory Fee	0.38
Business Mgmt. Fee	0.20	Service (12b–1) Fee	0.18
Other Expenses	0.05	Other Expenses	0.02
Total Operating Expenses	0.55	Total Operating Expenses	0.58
International Series		**International Fund**	
Advisory Fee	0.62	Advisory Fee	0.57
Business Mgmt. Fee	0.24	Service (12b–1) Fee	0.18
Other Expenses	0.16	Other Expenses	0.06
Total Operating Expenses	1.02	Total Operating Expenses	0.81
Growth-Income Series		**Growth-Income Fund**	
Advisory Fee	0.30	Advisory Fee	0.34

EXPENSE RATIOS—Continued

[As a percentage of average daily net assets]

Replaced portfolios (one year period ended 2/28/03)[1] growth series		Replacement portfolios (one year period ended 12/31/02) growth fund	
Business Mgmt. Fee	0.20	Service (12b–1) Fee	0.18
Other Expenses	0.05	Other Expenses	0.01
Total Operating Expenses	0.55	Total Operating Expenses	0.53
Asset Allocation Series		**Asset Allocation Fund**	
Advisory Fee	0.32	Advisory Fee	0.43
Business Mgmt. Fee	0.21	Service (12b–1) Fee	0.18
Other Expenses	0.11	Other Expenses	0.02
Total Operating Expenses	0.64	Total Operating Expenses	0.63
High-Yield Bond Series		**High-Income Bond Fund**	
Advisory Fee	0.34	Advisory Fee	0.50
Business Mgmt. Fee	0.22	Service (12b–1) Fee	0.18
Other Expenses	0.17	Other Expenses	0.02
Total Operating Expenses	0.73	Total Operating Expenses	0.70
U.S. Government/AAA-Rated Securities Series		**U.S. Government/AAA-Rated Securities Fund**	
Advisory Fee	0.33	Advisory Fee	0.45
Business Mgmt. Fee	0.22	Service (12b–1) Fee	0.18
Other Expenses	0.12	Other Expenses	0.02
Total Operating Expenses	0.67	Total Operating Expenses	0.65
Cash Management Series		**Cash Management Fund**	
Advisory Fee	0.34	Advisory Fee	0.44
Business Mgmt. Fee	0.23	Service (12b–1) Fee	0.18
Other Expenses	0.17	Other Expenses	0.02
Total Operating Expenses	0.74	Total Operating Expenses	0.64

[1] February 28, 2003 is the fiscal year end for the Anchor Fund.

10. The Applicants represent that each of the Replacement Portfolios has a significantly larger asset base than that of its corresponding Replaced Portfolio. Moreover, AIG SunAmerica believes that it is no longer economical to continue to offer the Replaced Portfolios as their smaller and dwindling asset size will make it more difficult to manage such assets so as to keep expense ratios down and to maintain performance.

11. The Applicants represent that each of the Replacement Portfolios has a performance record comparable to that of its corresponding Replaced Portfolio.

12. The Applicants will effect the proposed Substitutions by first redeeming shares of each of the Replaced Portfolios wholly on an in-kind basis at their net asset value and then immediately contributing those assets in-kind to the corresponding Replacement Portfolio to purchase their respective shares (the ‘‘In-Kind Transactions’’). The In-Kind Transactions will be done in a manner consistent with the investment objectives, policies and restrictions, and diversification requirements of the Replaced and Replacement Portfolios. Capital Research will review the In-Kind Transactions, and given that it is the investment adviser and employs the same system of multiple portfolio counselors in managing assets for both the Replaced and Replacement Portfolios, which have substantially identical investment objectives, policies and restrictions, Applicants anticipate that all redeemed assets of the Replaced Portfolios will be suitable for the corresponding Replacement Portfolios. For these same reasons, Applicants also submit that the portfolio securities to be contributed in-kind for shares of the Replacement Portfolios will be of the type and quality that each Replacement Portfolio could have acquired, respectively, with the proceeds from the sale of its shares had the shares been sold for cash. In effecting the In-Kind Transactions, Applicants will follow the requirements of Rule 17a–7 under the 1940 Act to the extent possible and all assets and liabilities will be valued based on the normal valuation procedures of the Replaced and Replacement Portfolios, as set forth, respectively, in the Anchor Fund and AFIS's registration statements.

13. At all times, before and after the Substitutions, monies attributable to owners of the Contract (‘‘Owners’’) then invested in the Replaced Portfolios will remain fully invested and will result in no change in the amount of any Owner's Contract value, death benefit or investment in the Separate Account so that the full net asset value of the redeemed shares held by the Separate Account will be reflected in the Owners' accumulation values or annuity unit values following the Substitutions. In addition, AIG SunAmerica hereby undertakes to assume all transaction costs and expenses relating to the Substitutions, including any direct or indirect costs of liquidating the assets of the Replaced Portfolios such as legal and accounting fees (or any brokerage commissions, if any redemptions are effected otherwise on an in-kind basis), so that the full net asset value of redeemed shares of the Replaced Portfolios held by the Separate Account will be reflected in the Owners' accumulation values or annuity unit values following the Substitutions.

14. Owners will not incur any fees or charges as a result of the Substitutions, nor will the rights of Owners or obligations of AIG SunAmerica under the Contract be altered in any way. The

proposed Substitutions will not have any adverse tax consequences to Owners. The proposed Substitutions will not cause Contract fees and charges currently being paid by existing Owners to be greater after the proposed Substitutions than before the proposed Substitutions. The proposed Substitutions will not be treated as transfers for the purpose of transfer limits or assessing transfer charges.

15. AIG SunAmerica will schedule the Substitutions to occur after issuance of the requested order and any required state insurance department approvals. Further, although the Substitutions will result in the replacement of the Portfolios of all the available Variable Accounts under the Contract, AIG SunAmerica will not exercise any right it may have under the Contract to collect transfer fees or impose any additional restrictions on Owners who may wish to make transfers among the available Variable Accounts funded by the Replacement Portfolios for a period of at least thirty (30) days following mailing of the Notice, as defined below, of the proposed Substitutions (the ''Free Transfer Period''). During the Free Transfer Period, transfers among the available Variable Accounts funded by the Replacement Portfolios will be permitted without those transfers being counted against any limit on free transfers under the Contract.

16. Upon filing the Application, AIG SunAmerica supplemented the prospectus for the Contract to reflect the proposed Substitutions. Within five days after the Substitutions, AIG SunAmerica will send to its Owners written notice of the Substitutions (the ''Notice''), identifying the shares of the Replaced Portfolios that have been eliminated and the shares of the Replacement Portfolios that have been substituted. AIG SunAmerica will also include in the mailing of the Notice the applicable prospectus supplement for the Contract describing the Substitutions and a copy of the prospectus for the Replacement Portfolios to Owners who have not already received a copy of that prospectus in the ordinary course. The Notice will further advise Owners that during the Free Transfer Period, Owners may transfer all assets, as substituted, among the available Variable Accounts funded by the Replacement Portfolios without limit or charge and without those transfers being counted against any limit on free transfers under their Contract.

Applicable Law

Section 26(c) of the 1940 Act

1. Section 26(c) of the 1940 Act provides 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 [SEC] shall have approved such substitution.''

2. Applicants represent that the proposed Substitution involves a substitution of securities within the meaning of meaning of Section 26(c) of the 1940 Act. The Applicants, therefore, request an order from the SEC pursuant to Section 26(c) approving the proposed Substitution.

3. Applicants represent that the Substitutions do not present the type of costly forced redemption or other harms that Section 26(c) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act for the following reasons:

a. The Substitutions will continue to fulfill Owners' objectives and risk expectations, because the Replacement Portfolios corresponding to the Replaced Portfolios have objectives, policies, and restrictions substantially identical in all material respects to the objectives, policies, and restrictions of the Replaced Portfolios;

b. After receipt of the Notice informing an Owner of the Substitutions, an Owner may request that his or her assets be reallocated among the available Variable Accounts funded by the Replacement Portfolios at any time during the Free Transfer Period without any limit or charge and without those transfers being counted against any limit on free transfers under the Contract. This right also will be granted to Owners who are receiving variable payments based on the Replaced Portfolios. The Free Transfer Period will provide sufficient time for Owners to consider their reinvestment and withdrawal options;

c. The Substitutions will be at net asset value of the respective shares, without the imposition of any transfer or similar charge, so that there will be not change in the Owners' accumulation values or any other contract values following the Substitution;

d. AIG SunAmerica has undertaken to assume all expenses and transaction costs, including, but not limited to, legal and accounting fees (or any brokerage commissions, if any redemptions are effected otherwise than on an in-kind basis), in connection with the Substitutions involving the Separate Account;

e. The Substitutions will in no way alter the contractual obligations of AIG SunAmerica or the rights and privileges of Owners under the Contract;

f. The proposed Substitutions will not have any adverse tax consequences to Owners;

g. The Substitutions are expected to confer certain economic benefits on Owners by virtue of generally lower expenses currently or in the long term;

h. At the time of the Substitutions, the total annual expenses of each Replacement Portfolio (except for the Growth Fund which has slightly higher total annual expenses than the Growth Series) are expected to be lower than those of the corresponding Replaced Portfolio;

i. It is anticipated that the Substitutions will be effected by redeeming shares of each of the Replaced Portfolios wholly on an in-kind basis and contributing those assets in-kind to the corresponding Replacement Portfolio to purchase their respective shares; and

j. The In-Kind Transactions will be done in a manner consistent with the investment objectives, policies and restrictions, and diversification requirements of the Replaced and Replacement Portfolios; and Capital Research will review the In-Kind Transactions.

4. Applicants anticipate that all redeemed assets of the Replaced Portfolios will be suitable for the corresponding Replacement Portfolios.

5. AIG SunAmerica represents that it and its affiliates currently do not, and will not for a period of three years from the date of the Order requested herein, receive any direct or indirect benefit from the Replacement Portfolios their adviser (or their adviser's affiliates) or underwriters and affiliates, in connection with assets attributable to the Contract affected by the Substitutions, at a higher rate, as a percentage of its Separate Account assets invested in such Replacement Portfolios, than it or any affiliate had received from the corresponding Replaced Portfolio its adviser, (or its adviser's affiliates) or underwriters and affiliates, including without limitation 12b–1, shareholder service, administrative or other service fees, revenue sharing or other arrangements.

6. AIG SunAmerica further represents that the proposed Substitutions involving the Replaced and Replacement Portfolios and its selection of the Replacement Portfolios were not motivated by any financial consideration paid or to be paid to it or to any of its affiliates by the Replacement Portfolios, their adviser or

underwriters, or by affiliates of the Replacement Portfolios, their adviser or underwriters.

7. As explained more fully in the application, SAAMCO is entitled to receive a Business Management Fee from each Replaced Portfolio in return for certain business management and administrative services. Further, AIG SunAmerica will be entitled to receive a Service Fee from each Replacement Portfolio, to cover the expense of providing certain administrative services. Each Replacement Portfolio's Service Fee will be lower than the current Business Management Fee imposed on its corresponding Replaced Portfolio by between two and six basis points. Notwithstanding that advisory fees (including the Service Fees) for the Replacement Portfolios will be higher than the advisory fees (including the Business Management Fee) for the Replaced Portfolios (except for the International Fund, which has lower advisory fees), each Replacement Portfolio has a lower total expense ratio than its corresponding Replaced Portfolio (except for the Growth Fund, which has a slightly higher total annual expense than the Growth Series).

8. Applicants represent that, in the event that the Growth Fund's total annualized expenses are not equal to or lower than the total annual expenses of the Growth Series at February 28, 2003 during the 12-month period following the Substitution, as determined quarterly, the amount of the Service Fee imposed on the Growth Fund for a period of one-year following the Substitution will be reduced for such quarter by an amount equal to the disparity between the lower total annual expenses of the Growth Series and the then higher total annualized expenses of the Growth Fund.

9. The Applicants represent that, in the event that the Growth Fund total annualized expenses are not equal to or lower than the total annual expenses of the Growth Series at February 28, 2003 during the 12-month period following the Substitution, as determined quarterly, and waiver of the entire .18 basis point of Service Fees is insufficient to offset any excess of the Growth Fund fees over the expenses of the Growth Series, Applicants will make a corresponding reduction in the corresponding separate account sub-account expenses on the last day of each such quarterly period, such that the amount of the Growth Fund expenses, together with those of the corresponding sub-account will, on an annualized basis, be no greater than the sum of the net expenses of the Growth Series and the net expenses of the sub-account on February 28, 2003.

10. AIG SunAmerica will not increase any Contract fees or reduce any services to the Growth Series during the 12-month period following the Substitution.

11. The Applicants, on the basis of the facts and circumstances described in the Application, assert that the proposed Substitution is consistent with the protection of investors and the purposes fairly intended by the policy and purposes of the1940 Act and therefore request that the Substitution should be granted.

Section 17(a) of the 1940 Act

1. Section 17(a)(1) of the 1940 Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the 1940 Act generally prohibits the persons described above, acting as principals, from knowingly purchasing any security or other property from the registered investment company.

2. Section 17(b) of the 1940 Act provides that the SEC may, upon application, grant an order exempting any transaction from the prohibitions of Section 17(a) if the 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 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.

3. Applicants request an order pursuant to Section 17(b) of the 1940 Act exempting them from the provisions of Section 17(a) to the extent necessary to permit them to carry out the In-Kind Transactions.

4. Applicants submit that the terms of their proposed Substitutions, including the consideration to be paid and received, as described in their application, are reasonable and fair and do not involve overreaching on the part of any person concerned. Applicants also submit that their proposed Substitutions are consistent with the policies of the Anchor Fund (and each of its Replaced Portfolios) as recited in its current registration statement and reports filed under the 1940 Act, and AFIS (and each of its Replacement Portfolios), as recited in its registration statements and reports to be filed under the 1940 Act. As more fully described in the application, the In-Kind Transactions will be done in a manner consistent with the investment objectives, policies and restrictions, and diversification requirements of the Replaced and Replacement Portfolios, and Capital Research will review the In-Kind Transactions. The Applicants anticipate that all redeemed assets of the Replaced Portfolios will be suitable for the corresponding Replacement Portfolios.

5. Applicants submit that the proposed In-Kind Transactions are consistent with the general purposes of the 1940 Act.

6. The In-Kind Transactions effecting the Substitutions will be carried out in conformity with Section 22(c) of the 1940 Act and Rule 22c–1 thereunder, and will substantially comply with the conditions of Rule 17a–7 under the 1940 Act. Owners will not incur any fees or charges as a result of the transfer of Contract value pursuant to the Substitutions. Owners' rights and privileges under the Contract and AIG SunAmerica's obligations thereunder will not be affected by the Substitutions. The Substitutions will not increase Contract or separate account fees and charges after the Substitutions. Expenses incurred in connection with the Substitutions including, but not limited to, legal and accounting fees (or any brokerage commissions, if any redemptions are effected otherwise than on an in-kind basis), will not be borne by Owners. Contract values will remain unchanged and fully invested following consummation of the Substitutions. Accordingly, Owner interests after the Substitutions, in practical economic terms, will not differ in any measurable way from such interests immediately prior to the Substitutions. In each case, the consideration to be received and paid is, therefore, reasonable and fair.

7. As more fully discussed in the application, the investment objectives of each of the Replacement Portfolios are substantially identical to the investment objectives of the corresponding Replaced Portfolios. In this regard, the Substitutions are consistent with the findings required under Section 17(b) of the 1940 Act.

8. The proposed In-Kind Transactions do not present any of the issues or abuses that the 1940 Act is designed to prevent. Moreover, the proposed In-Kind Transactions will be effected in a manner consistent with the public interest and the protection of investors as Owners will be fully informed of the terms of the Substitutions through the

prospectus supplement for the Replacement Portfolios, the Notice and the prospectus for the Replacement Portfolios, and will have a opportunity during the Free Transfer Period to make transfers among the available Variable Accounts funded by the Replacement Portfolios without limit or charge and without those transfers being counted against any limit on free transfers under their Contract.

Conclusion

For the reasons set forth in the application, the Applicants respectively state that the proposed Substitution and the related In-Kind Transactions meet the standards of Section 26(c) of the 1940 Act and Section 17(b) of the 1940 Act and respectfully request that the SEC issue an order of approval pursuant to Section 26(c) of the 1940 Act and order of exemption pursuant to Section 17(b) of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03–29294 Filed 11–21–03; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: 68 FR 64672, November 14, 2003.

STATUS: Closed Meeting.

PLACE: 450 Fifth Street NW., Washington, DC.

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Wednesday, November 19, 2003 at 3 p.m.

CHANGE IN THE MEETING: Additional item.

The following item has been added to the Closed Meeting of Wednesday, November 19, 2003: Institution of injunctive action.

Commissioner Glassman, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 942–7070.

Dated: November 19, 2003.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03–29411 Filed 11–20–03; 12:31 pm]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27763]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

November 17, 2003.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by December 12, 2003, to the Secretary, Securities and Exchange Commission, Washington, DC 20549–0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After December 12, 2003, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Gulf Power Company (70–10156)

Gulf Power Company (''Gulf''), 500 Bayfront Parkway, Pensacola, Florida, 32501 a wholly owned public utility subsidiary of The Southern Company (''Southern''), a registered public utility holding company, has filed with the Commission a declaration (''Declaration'') under sections 6(a) and 7 of the Act and rule 54 under the Act.

Gulf proposes to issue and sell from time to time, through January 1, 2007 (''Authorization Period''), (i) short-term and/or term-loan notes to lenders and (ii) commercial paper to or through dealers in an aggregate principal amount at any one time outstanding of up to $600 million.

Gulf proposes to effect borrowings from certain banks or other lending institutions. These institutional borrowings will be evidenced by (i) notes to be dated as of the date of the borrowings and to mature in not more than seven years after the date of issue or (ii) ''grid'' notes evidencing all outstanding borrowings from each lender to be dated as of the date of the initial borrowing and to mature not more than seven years after the date of issue. Gulf proposes that it may provide that any note evidencing these borrowings may not be prepayable, or that it may be prepaid with payment of a premium that is not in excess of the stated interest rate on the borrowing to be prepaid.

Gulf states that borrowings will be at the lender's prevailing rate offered to corporate borrowers of similar quality, but asserts that these rates will not exceed the lender's prime rate or (i) London Inter Bank Offering Rate plus up to 3% or (ii) a rate not to exceed the prime rate to be established by bids obtained from the lenders prior to a proposed borrowing.

Gulf states that compensation for the credit facilities may be provided by fees of up to 1% per annum of the amount of the facility and that compensating balances may be used in lieu of fees to compensate certain of the lenders.

Gulf also proposes to issue and sell commercial paper (''Commercial Paper'') to or through dealers from time to time through the Authorization Period. Gulf states that the Commercial Paper will be in the form of promissory notes with varying maturities not to exceed 390 days.[1] Gulf states that actual maturities will be determined by market conditions, the effective interest costs and Gulf's anticipated cash flow, including the proceeds of other borrowings, at the time of issuance. Gulf states that the Commercial Paper will be issued in denominations of not less than $50,000 and will be sold directly to or through a dealer or dealers (''Dealer''). Gulf states that the discount rate (or the

[1] Applicants state that the ability to extend the maturity of commercial paper notes is a feature of an Extendible Commercial Notes program. Applicants state that the maturity of Commercial Paper notes issued under an Extendible Commercial Notes program is 365 days or less; however, if the principal of any Commercial Paper note is not paid at maturity, the maturity of the Commercial Paper note will be automatically extended to 390 days from the date of original issuance. Any Commercial Paper note with greater than 365 days remaining until maturity at the end of a reporting period will be treated as long-term debt for accounting purposes.