the non-interested members of the boards of trustees at in-person meetings and the Funds' shareholders of the New Sub-Advisory Agreements or, in the absence of such approval, returned to such Fund.

3. The Funds will hold in-person trustees' meetings in January, 1996 to confirm their December approval of the New Sub-Advisory Agreements. In addition, shareholder meetings will be held in March, 1996 to vote on the approval of the New Sub-Advisory Agreements, and such approvals will be obtained on or before the 120th day following the termination of the Former Sub-Advisory Contracts.

4. Govett Holdings will bear the costs of preparing and filing this request for exemptive relief and the costs related to the solicitation of shareholder approval of the Funds' shareholders necessitated by consummation of the Sales Agreement.

5. The Adviser will take all appropriate steps to ensure that the scope and quality of sub-advisory services provided to the Funds by Govett during the Interim Period will be at least equivalent, in the judgment of the respective boards of trustees, to the scope and quality of services previously provided by Govett. If there is a material change in the personnel providing material services to the Funds during the Interim Period, Govett and the Adviser will notify the respective Boards of Trustees of the affected Funds to ensure that they, including a majority of the non-interested trustees, are satisfied that the services provided will not be materially diminished in scope and quality.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–1673 Filed 1–29–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21698; 812–9912]

Walnut Properties Limited Partnership, et al.; Notice of Application

January 23, 1996.

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

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: Walnut Properties Limited Partnership (the ''Partnership''), and John J. Hansman (''Hansman'') and Summit Investment Services, Inc. (''Summit'') (collectively, the ''General Partners'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) for an exemption from all provisions of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit the Partnership to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons.

FILING DATE: The application was filed on December 15, 1995.

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 February 20, 1996, 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 NW., Washington, D.C. 20549. Applicants, 600 Stewart Street, Suite 1704, Seattle, Washington 98101.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942–0654, or Robert A. Robertson, 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.

Applicants' Representations

1. The Partnership was formed as a Washington limited partnership on August 11, 1995. The Partnership will operate as a ''two-tier'' partnership, *i.e.*, the Partnership, as a limited partner, will invest in other limited partnerships (the ''Property Partnerships''). The Property Partnerships will be managed by general partners (the ''Developer General Partners'') that are not affiliated with the Partnership or the General Partners. The Property Partnerships, in turn, will engage in the ownership and operation of apartment complexes (''Properties'') expected to qualify for low income housing tax credits (''Credits'') under the Internal Revenue Code of 1986 (the ''Code'').

2. The objectives of the Partnership are to: (a) provide tax benefits, including Credits and passive activity losses, which investors may use to offset their Federal income tax liabilities; (b) distribute proceeds from liquidation, sale, or refinancing transactions; and (c) to the extent permitted by the terms of applicable local, state, and/or federal government assistance, distribute cash from operating the Properties.

3. Units of limited partnership interest in the Partnership (the ''Units'') will be offered and sold without registration under the Securities Act of 1933 (the ''Securities Act'') in reliance on section 4(2) of the Securities Act and Regulation D thereunder. No Units will be sold unless subscriptions to purchase at least six Units (the ''Minimum Offering'') are received and accepted by the General Partners prior to September 30, 1996. If the Minimum Offering has not been sold by such date, no Units will be sold and all funds received from subscribers will be refunded with interest.

4. Until the Minimum Offering has been sold, offering proceeds will be deposited and held in trust for the benefit of purchasers in an escrow account with Seattle-First National Bank in Seattle, Washington, to be used only for the specific purposes set forth in the Confidential Private Placement Memorandum dated November 21, 1995 (the ''Memorandum''). The Partnership intends to apply offering proceeds to the acquisition of limited partnership interests in the Property Partnerships as promptly as possible (although such proceeds may be invested temporarily in bank time deposits, certificates of deposit, money market accounts, and government certificates). The Partnership will not trade or speculate in temporary investment.

5. The Partnership will require that each purchaser of Units represent in writing that such purchase meets the applicable suitability standards. Each individual subscriber must represent that he or she has: (a) a net worth (exclusive of home, home furnishings, and automobiles) of at least $200,000 per Unit; or (b) a net worth (exclusive of home, home furnishings and automobiles) of not less than $125,000 per Unit and annual income of at least $100,000 ($75,000 in the case of a purchase of one-half of a Unit). Units will be sold in certain states only to persons who meet different standards, as set forth in the Memorandum. The Partnership will also allow certain corporate subscribers to purchase Units.

6. Although the Partnership will not have responsibility for the day-to-day management of the Properties, the Partnership's ownership of limited partnership interests in the Property Partnerships will, in an economic sense, be tantamount to direct ownership of each Property. Typically, the Partnership will acquire at least a 98% interest in the profits, losses, Credits, and cash flow of each Property Partnership. In addition, the General Partners anticipate that the Partnership will receive approximately 49.99% of any gain and residual proceeds generated by the Property Partnerships. A small percentage interest in these items will be allocated to Summit as the special limited partner, and the remaining interest in such items will be allocated to the Developer General Partner.

7. In some cases, however, the Partnership and Summit may acquire smaller aggregate percentage interests in a particular Property Partnership. In those cases where the Partnership acquires less than a 98% interest in the profits, losses, Credits, and cash flow of a Property Partnership: (a) the Partnership will own a minimum of 49.49% of such Property Partnership items; and (b) the balance of the limited partnership interest in such Property Partnership, after the allocation of a .01% interest to Summit, will be owned by a single affiliated ''upper-tier'' limited partnership of which Hansman and Summit will also be the general partners. Moreover, the Partnership's investment in any Property Partnership in which it owns less than 50% (but more than 49.49%) of the profits, losses, Credits, and cash flow will not constitute more than 15% of its aggregate investment in all Property Partnerships.

8. The Partnership and Summit will have rights under the terms of the limited partnership agreements for the Property Partnerships to consent to certain fundamental decisions, which will generally include: (a) the right to approve or disapprove any sale or refinancing of a Property; (b) the right to replace the Developer General Partner on the basis of the Developer General Partner's performance and discharge of its obligations; (c) any borrowing of money or encumbering of Property Partnership assets; (d) any change in identity of the Developer General Partner; (e) any tax elections; and (f) any admission of additional partners.

9. The Partnership will be managed by the General Partners pursuant to a partnership agreement (the ''Partnership Agreement''). Holders of Units in the Partnership (''Investor Limited Partners''), consistent with their limited liability status, will not be entitled to participate in the control of the Partnership's business. However, a majority-in-interest of the Investor Limited Partners will have rights: (a) to amend the Partnership Agreement (subject to certain limitations; (b) to remove any General Partner and elect a replacement; (c) to dissolve the Partnership; (d) to consent to the sale or refinancing of a Property; and (e) to designate a replacement for Summit as the special limited partner of each Property Partnership. In addition, under the Partnership Agreement, each Investor Limited Partner is entitled to review all books and records of the Partnership.

10. The Partnership Agreement and Memorandum contain numerous provisions designed to ensure fair dealing by the General Partners with the Investor Limited Partners. All fees and compensation to be paid to the General Partners and their affiliates are specified in the Partnership Agreement and Memorandum. While the fees and other forms of compensation that will be paid to the General Partners and their affiliates will not have been negotiated at arm's length, applicants believe that the compensation and fees are reasonable and comparable to those that would be charged by third parties for the services provided by the General Partners and their affiliates.

11. The Partnership Agreement also contains various provisions designed to significantly reduce conflicts of interest between the Partnership and the General Partners and their affiliates. For example, in the event an investment in a Property Partnership becomes available which would satisfy the investment criteria of the Partnership and any other partnership in which the General Partners and/or their affiliates have an interest, the General Partners will analyze each opportunity in relation to the investment objectives of each partnership and will consider such factors as cash available for investment, maximum investment limit per acquisition, estimated income tax effects, leverage policies, any regulatory restrictions on investment policies, and the length of time funds have been available for investment. The General Partners will then determine which partnership should have the opportunity to make the particular investment and, if a particular investment is suitable for more than one partnership, the General Partners will recommend such investment to the partnership which has had the most funds available for investment for the longest period of time.

Applicants' Legal Analysis

1. Applicants believe that the Partnership is not an investment company under sections 3(a)(1) or 3(a)(3) of the Act. If the Partnership is deemed to be an investment company, however, applicants request an exemption under section 6(c) from all provisions of the Act.

2. Section 3(a)(1) of the Act provides that an issuer is an investment company if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities. Applicants believe that the Partnership is not an investment company under section 3(a)(1) because the Partnership will be in the business of investing in, and being beneficial owner of, the Properties, not securities.

3. Section 3(a)(3) of the Act provides that an issuer is an investment company if it 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 such issuer's total assets (exclusive of Government securities and cash items). Applicants believe that the Partnership's interests in the Property Partnerships should not be considered investment securities because such interests are not readily marketable, have no value apart from the value of the Properties owned by the Property Partnerships, and cannot be sold without severe adverse tax consequences.

4. Applicants believe that the two-tier structure is consistent with the purposes and criteria set forth in the SEC's release concerning two-tier real estate partnerships (the ''Release'').[1] The Release states that two-tier real estate partnerships that invest in limited partnerships engaged in the development and operation of housing for low and moderate income persons may qualify for an exemption from the Act under section 6(c). Section 6(c) provides that the SEC may exempt any person from any provision of the Act and any rule thereunder if, and to the extent that, such 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.

5. The Release lists two requirements, designed for the protection of investors, which must be satisfied by two-tier partnerships to qualify for an exemption

[1] Investment Company Act Release No. 8456 (Aug. 9, 1974).

under section 6(c). First, interests in the issuer should be sold only to persons for whom investments in limited profit, essentially tax-shelter, investments would not be unsuitable. Second, requirements for fair dealing by the general partner of the issuer with the limited partners of the issuer should be included in the basic organizational documents of the company.

6. Applicants state, among other considerations, that the suitability standards set forth in the Memorandum, the requirements for fair dealing provided by the Partnership Agreement, and pertinent governmental regulations imposed on each Property Partnership by various Federal, state, and local agencies provide protection to Unitholders comparable to that provided by the Act. In addition, applicants assert that the requested exemption is both necessary and appropriate in the public interest.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–1639 Filed 1–29–96; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF TRANSPORTATION

Aviation Proceedings; Agreements Filed During the Week Ending January 19, 1996

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C 412 and 414. Answers may be filed within 21 days of date of filing.

Docket Number: OST–96–1004.

Date filed: January 18, 1996.

Parties: Members of the International Air Transport Association.

Subject: Application of IATA for Renewal of DOT Approval of Procedures Permitting Third Parties to Participate as Technical Advisers in Working Group Sessions of the Billing and Settlement Plan.

Paulette V. Twine,

Chief Documentary Services Division.

[FR Doc. 96–1619 Filed 1–29–96; 8:45 am]

BILLING CODE 4910–62–P

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending January 19, 1996

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 *et seq.*). The due date for Answers Conforming Applications or Motions to modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order a tentative order or in appropriate cases a final order without further proceedings.

Docket Number: OST–96–1011.

Date filed: January 19, 1996.

Due Date for Answers Conforming Applications or Motions to Modify Scope: February 16, 1996.

Description: Application of Excalibur Airways Limited pursuant to 49 U.S.C. 41301, applies for a foreign air carrier permit to engage in the foreign charter air transportation of persons property and mail as follows:

—Between any point or points in the United Kingdom and any point or points in the United States either directly or via intermediate or beyond points in other countries with or without stopovers;

—Between any point or points in the United States and any point or points not in the United Kingdom or the United States; and

—Any other charter flights authorized pursuant to Part 212 of the Department's regulations.

Paulette V. Twine,

Chief, Documentary Services Division.

[FR Doc. 96–1620 Filed 1–29–96; 8:45 am]

BILLING CODE 4910–62–M

Operations by Canadian and Mexican Specialty Air Service Operators

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Order to Show Cause, Docket OST–96–1021, Order 96–1–28.

SUMMARY: The Department is inviting comments on its tentative decision to grant Canadian and Mexican ''specialty air service'' operators a blanket foreign aircraft permit under 14 CFR Part 375 to conduct such operations in the United States, to the extent the operations covered under the North American Free Trade Agreement (NAFTA). The specific specialty air services involved are: aerial mapping, aerial surveying, aerial photography, forest fire management, fire fighting, aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial sightseeing, flight training, aerial inspection and surveillance, and aerial spraying services. NAFTA provides for the operation of these services on a phase-in basis, with coverage for some services already effective, and coverage for others becoming effective at various times through January 1, 2000. The blanket foreign aircraft permit the Department proposes would remove the present requirement that operators obtain prior Department approval, on a contract-by-contract basis, before conducting those specialty air services that are provided for and for which coverage has become effective under NAFTA. The authority would be subject to each operator's compliance with applicable regulations and procedures of the Federal Aviation Administration, and would be effective until further order of the Department.

DATES: Objections to the issuance of a final order in this proceeding are due: February 7, 1996. If objections are filed, answers to objections are due: February 14, 1996. Persons filing pleadings should contact the Department's Foreign Air Carrier Licensing Division at the telephone number listed below for a list of persons to be served with objections and answers to objections.

ADDRESSES: All documents in this proceeding, with appropriate filing copies, should be filed in Docket OST–96–1021, addressed to Central Docket Management Facility, U.S. Department of Transportation, Room PL401, 400 Seventh Street SW., Washington, D.C. 20590.

FOR FURTHER INFORMATION CONTACT: George Wellington, Foreign Air Carrier Licensing Division, U.S. Department of Transportation, Room 6412, 400 Seventh Street, SW., Washington, DC. 20590. Telephone (202) 366–2391.

Dated: January 24, 1996.

Mark L. Gerchick,

Acting Assistant Secretary for Aviation and International Affairs.

[FR Doc. 96–1655 Filed 1–29–96; 8:45 am]

BILLING CODE 4910–62–P

Coast Guard

[CGD 95–074]

Oil Spill Removal Organization Classification Guidelines

AGENCY: Coast Guard, DOT.

ACTION: Notice of availability.

SUMMARY: The Coast Guard has developed revised Oil Spill Removal Organization (OSRO) guidelines to facilitate the preparation and approval of facility or vessel response plans required under the Oil Pollution Act. The revised OSRO guidelines make