

*Week of August 31—Tentative*

Wednesday, September 2

10:00 a.m.—Briefing on PRA Implementation Plan (Public Meeting) (Contact: Tom King, 301-415-5828).

11:30 a.m.—Affirmation Session (Public meeting) (if needed).

Thursday, September 3

10:00 a.m. and 1:30 p.m.—All Employees Meetings (Public Meetings) on "The Green" Plaza Area between building at White Flint (Contact: Bill Hill—301-415-1661).

*Week of September 7—Tentative*

Thursday, September 10

3:30 p.m.—Affirmation Session (Public Meeting) (if needed).

\*The schedule for Commission meetings is subject to change on short notice. To verify the Status of Meetings call (Recording)—(301) 415-1292. Contact person for more information: Bill Hill (301) 415-1661.

The NRC Commission Meeting Schedule can be found on the Internet at: <http://www.nrc.gov/SECY/smj/schedule.htm>

This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to it, please contact the Office of the Secretary, Attn: Operations Branch, Washington, D.C. 20555 (301-415-1661). In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to [wmh@nrc.gov](mailto:wmh@nrc.gov) or [dkw@nrc.gov](mailto:dkw@nrc.gov).

**William M. Hill, Jr.,**

*Secy, Tracking Officer, Office of the Secretary.*  
[FR Doc. 98-22343 Filed 8-14-98; 3:35 pm]

BILLING CODE 7590-01-M

**OFFICE OF PERSONNEL  
MANAGEMENT****Submission for OMB Review;  
Comment Request for Review of a  
Revised Information Collection:  
Standard Forms 2803 and 3108**

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995 (Public Law 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) has

submitted to the Office of Management and Budget a request for review of a revised information collection. SF 2803, Application to Make Deposit or Redeposit (CSRS), and SF 3108, Application to Make Service Credit Payment for Civilian Service (FERS), are applications to make payment used by persons who are eligible to pay for Federal service which was not subject to retirement deductions and/or for Federal service which was subject to retirement deductions which were subsequently refunded to the applicant.

There are approximately 75 respondents for SF 2803 and 75 respondents for SF 3108. The forms take approximately 30 minutes to complete. The annual burden is 75 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-8358, or E-mail to [mbtoomey@opm.gov](mailto:mbtoomey@opm.gov)  
**DATES:** Comments on this proposal should be received on or before September 17, 1998.

**ADDRESSES:** Send or deliver comments to—

Lorraine E. Dettman, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349, Washington, DC 20415-0001

and  
Joseph Lackey, OPM Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW, Room 10235, Washington, DC 20503

**FOR INFORMATION REGARDING  
ADMINISTRATIVE COORDINATION—**

**CONTACT:** Donna G. Lease, Budget & Administrative Services Division, (202) 606-0623.

U.S. Office of Personnel Management.

**Janice R. Lachance**

*Director.*

[FR Doc. 98-22016 Filed 8-17-98; 8:45 am]

BILLING CODE 6325-01-P

**POSTAL SERVICE****Sunshine Act Meeting**

**TIMES AND DATES:** 1:00 p.m., Monday, August 31, 1998; 8:30 a.m., Tuesday, September 1, 1998.

**PLACE:** Washington, D.C., at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, S.W., in the Benjamin Franklin Room.

**STATUS:** August 31 (Closed); September 1 (Open).

**MATTERS TO BE CONSIDERED:**

Monday, August 31—1:00 p.m. (Closed)

1. Compensation Matters.
2. Strategic Plan—Government Performance and Results Act.
3. International Mail Rates.

Tuesday, September 1—8:30 a.m. (Open)

1. Minutes of the Previous Meeting, August 3-4, 1998.
2. Remarks of the Postmaster General/Chief Executive Officer.
3. Consideration of Amendments to BOG Bylaws.
4. Postal Rate Commission FY 1999 Budget.
5. Fiscal Year 1999 Operating Budget.
6. Preliminary FY 2000 Appropriation Request.
7. Review of the Five-Year Capital Investment Program.
8. Fiscal Year 1999 Financing Plan.
9. Capital Investments.
  - a. Robotic Tray Handling (Phase I)—Additional Funding Request.
  - b. Replacement of 614 Martin Marietta Delivery Bar Code Sorters.
  - c. Carrier Route Vehicles.
  - d. Arlington, Virginia, Headquarters Office Space.
10. Tentative Agenda for the October 5-6, 1998, meeting in Honolulu, Hawaii.

**CONTACT PERSON FOR MORE INFORMATION:** Thomas J. Koerber, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, S.W., Washington, D.C. 20260-1000. Telephone (202) 268-4800.

**Thomas J. Koerber,**  
*Secretary.*

**Neva R. Watson,**  
*Alternate Certifying Officer.*

[FR Doc. 98-22359 Filed 8-14-98; 3:55 p.m.]

BILLING CODE 7710-12-M

**SECURITIES AND EXCHANGE  
COMMISSION**

**[Investment Company Act Release No. 23386; 812-11082]**

**American General Series Portfolio  
Company 2, et al.; Notice of  
Application**

August 12, 1998.

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

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

**SUMMARY OF THE APPLICATION:** American General Series Portfolio Company 2 ("AGSPC 2"), American General Series Portfolio Company 3 ("AGSPC 3")

(together, the "Funds,") and The Variable Annuity Life Insurance Company ("VALIC" or the "Manager") seek an order to allow applicants to enter into and materially amend investment sub-advisory agreements without shareholder approval.

**FILING DATES:** The application was filed on March 19, 1998. Applicants have agreed to file an amendment to the application 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 hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving the applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on September 8, 1998 and should be accompanied by proof of service on the applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o Nori L. Gabert, Esq., 2929 Allen Parkway, L4-01, Houston, Texas 77019.

**FOR FURTHER INFORMATION CONTACT:** Emerson S. Davis, Senior Counsel, at (202) 942-0714, or George J. Zornada, 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 from the Commission's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (telephone (202) 942-8090).

### Applicant's Representations

1. AGSPC 2, a Delaware business trust, is registered as an open-end management investment company under the Act. AGSPC 2 consists of twenty-three series (each a "Portfolio", each of which has its own investment objective and policies. AGSPC 2 intends to offer classes of the shares of its Portfolios for sale to the public.

2. AGSPC 3, also a Delaware business trust, is registered as an open-end management investment company under the Act. AGSPC 3 consists of

eighteen series (each a "Portfolio"), each of which has its own investment objective and policies. AGSPC 3 intends to offer shares of its Portfolios for sale through separate accounts of VALIC, separate accounts of life insurance companies that are affiliated with VALIC, employee thrift plans maintained by VALIC or its affiliates, separate accounts of life insurance companies that are not affiliated with VALIC and, subject to applicable laws, the public.<sup>1</sup>

3. VALIC, a Texas life insurance company, is an indirect wholly-owned subsidiary of American General Corporation and is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). The Funds and VALIC have entered into an investment advisory agreement in which VALIC will have overall supervisory and administrative responsibility for the Funds and, subject to the general supervision of the board of trustees of each Fund ("Board"), will select and contract with sub-advisers to provide each Portfolio with portfolio management services ("Manager/Sub-Adviser Strategy"). VALIC also will monitor and evaluate each sub-adviser's performance, and may recommend to the Board of each Fund whether a sub-advisory agreement ("Sub-Advisory Agreement") will be renewed, modified or terminated. VALIC is paid a management fee by each Portfolio and VALIC will be responsible for paying each sub-adviser. Each sub-adviser is either registered under the Adviser's Act or exempted from registration.

4. VALIC will employ its expertise to select sub-advisers that have shown the ability, over a period of time, to select specific investments to achieve well-defined objectives. The specific investment decisions for the Funds employing a sub-adviser will be made by one or more sub-advisers, each of which has discretionary authority to invest all or a portion of the assets of a particular Portfolio, subject to the general supervision of VALIC and the Board of the Fund. No sub-adviser will have responsibility for the on-going administration and corporate maintenance of a Fund or for servicing

<sup>1</sup> Applicants also request that the relief apply to future portfolios of AGSPC 2 and 3 and to any other registered open-end management investment company or series thereof for which the Manager, or any person controlling, controlled by, or under common control with the Manager, serves as investment adviser ("Future Fund"). All existing investment companies that currently intend to rely on the order have been named as applicants, and any Future Fund that relies on the order will comply with the terms and conditions in the application.

of the shareholders. VALIC will review the historical investment results of a number of sub-advisers and perform fact-to-face evaluations of the sub-adviser and its personnel. VALIC seeks to select sub-advisers that have shown a consistent ability to achieve targeted results within select asset classes and investment styles and that have demonstrated expertise in particular areas. VALIC performs internal due diligence on prospective sub-advisers for each Portfolio and thereafter will monitor sub-adviser performance to identify a departure by a sub-adviser from its investment style, a deterioration in its investment performance, or an adverse change in its personnel or organization, and will recommend changes in sub-advisers accordingly. VALIC has responsibility for communicating performance expectations and evaluations to be sub-advisers, supervising and monitoring compliance with the Portfolio's investment objectives and policies, authorizing a sub-adviser to engage in certain investment techniques for a Portfolio and recommending to the Board of each Fund whether Sub-Advisory Agreements should be renewed, modified, or terminated.

5. Applicants request relief to permit VALIC to enter into and amend Sub-Advisory Agreements with shareholder approval. The requested relief will not extend to a sub-adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of either the Funds or VALIC, other than by reason of serving as a sub-adviser to one or more of the Portfolios (Affiliated Sub-adviser").

### Applicant's Legal Analysis

1. Section 15(a) of the Act makes it unlawful for any person at act as investment adviser to a register and investment company except pursuant to a written contract that has been approved by a majority of the company's outstanding voting shares. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of the Act 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. Applicants request an exemption under section 6(c) from section 15(a) of the Act and rule 18f-2 under the Act permit them to enter into

and materially amend Sub-Advisory Agreements without shareholder approval.

3. Applicants believe that under their Manager/Sub-Advisor Strategy, sub-advisers take the place of individual portfolio managers in a conventional fund context. Applicants assert that investors in the Portfolios have determined to rely on VALIC's ability to select, monitor, and terminate sub-advisers. Applicants state that investors expect VALIC to select and retain sub-advisers who successfully meet the Portfolio's objectives and policies and replace those who do not. Applicants contend that requiring shareholder approval of sub-advisers and Sub-Advisory Agreements would impose costs and unnecessary delays on the Portfolios. Specifically, applicants believe that without the requested exemptions, VALIC may be precluded from promptly and timely employing a sub-adviser, or the applicable Portfolio of the Fund may be subjected to additional expenses of proxy solicitations when employing or replacing a sub-adviser. Applicants believe that the effective functioning of the Manager/Sub-Advisor Strategy would be greatly facilitated if applicants are permitted promptly to implement changes in the sub-advisers, or, in the event of circumstances constituting an assignment of a Sub-Advisory Agreement, if VALIC could enter into and materially amend a new sub-advisory agreement with the sub-adviser, or its successor, without the expense and delay of a proxy solicitation and special shareholder's meeting. Applicants also note that each Portfolio's investment advisory agreement with VALIC will remain subject to section 15(a) of the Act and rule 18f-2 under the Act.

#### **Applicants' Conditions**

Applicants agree that any order of the Commission granting the requested relief will be subject to the following conditions:

1. Before a Portfolio may rely on the order, the operation of the Portfolio in the manner described in the application will be approved by a majority of the Portfolio's outstanding voting securities (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, pursuant to voting instructions provided by the unitholders of the sub-account), as defined in the Investment Company Act, or, in the case of a new Portfolio whose public shareholders purchases shares on

the basis of a prospectus(es) containing the disclosure contemplated by condition 2 below, by the sole initial shareholder(s) before offering shares of such Portfolio to the public (or the variable contract owners through a separate account).

2. Any Portfolio relying on the requested relief will disclose in its prospectus the existence, substance, and effect on any order granted pursuant to the application. In addition, any such Portfolio will hold itself out to the public as employing the Manager/Sub-Advisor Strategy described in the application. The prospectus(es) will prominently disclose that VALIC has ultimate responsibility to oversee the sub-advisers and recommended their hiring, termination, and replacement.

3. VALIC will provide management services to each Fund, including overall supervisory responsibility for the general management and investment of each Portfolio, and, subject to review and approval by the applicable Board will (i) set each Portfolio's overall investment strategies; (ii) evaluate, select and recommend sub-advisers to manage all or part of a Portfolio's assets; (iii) when appropriate, allocate and reallocate a Portfolio's assets among multiple sub-advisers; (iv) monitor and evaluate the investment performance of sub-advisers; and (v) implement procedures reasonably designed to ensure that the sub-advisers comply with the relevant Portfolio's investment objective, policies, and restrictions.

4. At all times, a majority of each Fund's Board will person who are "interested persons," within the meaning of section 2(a)(19) of the Act, of the Fund ("Independent Trustees"), and the nomination of new or additional Independent Trustees will be placed within the discretion of the then existing Independent Trustees.

5. No Portfolio will enter into an Investment Sub-Advisory Agreement with a sub-advisor that is an "affiliated person" of VALIC or the Fund (as defined in section 2(a)(3) of the Investment Company Act) ("Affiliated Sub-Advisor") other than by reason of serving as sub-advisor to one or more Portfolios without such Agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Portfolio (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, then pursuant to voting instructions by the unitholders of the sub-account).

6. When a change of sub-adviser is proposed for a Portfolio with an Affiliated Sub-adviser, each applicable Fund's Board of Trustees, including a majority of the Independent Trustees, will make a separate finding, reflected in the Fund's board minutes, that such change of sub-adviser is in the best interests of the Portfolio and its shareholders (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, in the best interests of the Portfolio and the unitholders of any sub-account) and that the change does not involve a conflict of interest from which VALIC or the Affiliated Sub-Advisor derives an inappropriate advantage.

7. No director, trustee or officer of the Funds or VALIC will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by any such director, trustee or officer) any interest in a sub-adviser except for ownership of (a) interests in VALIC or any entity that controls, is controlled by, or is under common control with VALIC or (b) less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a sub-adviser or an entity that controls, is controlled by, or is under common control with a sub-adviser.

8. Within 90 days of the hiring of any new sub-adviser, VALIC will furnish shareholders (or, if the Portfolio serves as funding medium for any sub-account of a registered separate account, the unitholders or the sub-account) with respect to the appropriate Portfolio with an information statement about the new sub-adviser or Investment Sub-Advisory Agreement that would be included in a proxy statement. Such information will include any changes caused by addition to a new sub-adviser. To meet this condition, VALIC will provide shareholders (or, if the Portfolio serves as a funding medium for any sub-account of a registered separate account, then by providing unitholders of the sub-account) with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-22113 Filed 8-17-98; 8:45 am]

BILLING CODE 8010-01-M